

City of Murfreesboro



Request for Competitive Sealed Proposals (RFCSP)

for

Classification & Compensation Consulting Services

ISSUE DATE:

OCTOBER 10, 2013

RESPONSE DUE DATE:

NOVEMBER 25, 2013

1. Introduction

The City of Murfreesboro, Tennessee is issuing a Request for Competitive Sealed Proposals (RFCSP) from qualified vendors for Classification & Compensation Consulting Services as more fully described in Sections 4 and 5.

2. Competitive Sealed Proposal Process and Schedule

The Competitive-Sealed-Proposal method is appropriate when qualifications and experience are of particular importance and price is one of several factors used to determine the best service provider. This method requires each participant to submit a proposal based on certain specified elements with knowledge of the factors used to evaluate the proposal and their relative weight. Those interested in participating in the selection process will be afforded the opportunity to pose questions about the RFCSP in a voluntary presubmittal teleconference and in writing and services sought before submitting a proposal. After the sealed proposals have been submitted and reviewed, the City may obtain additional information or clarifications, including additional “last and best” final offers from participants, prior to making its final selection, provided that information from one proposer is not disclosed to another. The City will select a responsible and responsive proposer whose proposal is determined to be most advantageous to the City taking into consideration all of the evaluation factors.

2.1 Schedule

The City intends to adhere to the schedule below for the selection process; dates may be adjusted by the City as needed.

Activity	Target Date
RFCSP Issued	October 10, 2013
Voluntary Registration	Oct.10-Nov.25, 2013
Presubmittal Teleconference	October 21, 2013
Submittal of written questions	October 28, 2013
Answers to questions	November 4, 2013
Proposals submitted	November 25, 2013
Finalists notified	December 6, 2013
Finalist Presentations	December 13, 2013
Last Offer submitted	December 20, 2013
Selection	January 10, 2014
Negotiation of contract	
City Council action	January 30, 2014

2.2 Evaluation Criteria

Each proposal will be evaluated based on the criteria listed in Section 8.

2.3 Finalist Selection

The City intends to select two or more Proposers from the RFCSP responses to further evaluate as finalists through on-site presentations. Finalists will then be allowed to submit revisions to their proposal to make a last and best final offer. Additional investigation may be performed to assist in selecting the finalist.

The finalist will be selected based on all of the evaluation criteria so that the City obtains the best consultant for an appropriate fee.

3. Contact Information

Please submit/forward all questions and matters relating to this RFCSP to Glen Godwin, Director of Human Resources, City of Murfreesboro. He may be reached at (615) 848-2553 or by email at: ggodwin@murfreesborotn.gov or by mail at City of Murfreesboro, Human Resources Department, Attn: Glen Godwin, 111 West Vine Street, Murfreesboro, TN 37130 or P.O. Box 1139, Murfreesboro, TN 37133-1139. Questions should be submitted in writing via email. Any changes to this RFCSP or its Schedule will be posted on the City's website at www.murfreesborotn.gov/classificationcompensationrfcsp/.

The City strongly encourages but does not require anyone interested in submitting a response to this RFCSP to email Mr. Godwin and register their interest. Such registration of interest will allow the City to send email notifications with the call-in instructions for the voluntary presubmittal teleconference. Email notification to those who register of any changes in the schedule and the City's response to written questions will also be provided, in addition to posting this information on the dedicated web page.

4. Background

The City of Murfreesboro, Tennessee is a municipality that currently employs 928 full-time and 329 part-time employees. The City departments include: Police, Fire, Water and Sewer, Solid Waste, Parks and Recreation, Engineering, Planning, Building and Codes, Transportation, Community Development, Airport, Judicial, Golf, Senior Citizens, Urban Environmental, Fleet Services, Communications, Legal, Human Resources, Information Technology, Finance and Administration. The City had a classification, compensation and benefits analysis performed in 2004 by Burriss Thompson and Associates. The resulting plan was adopted and has been the basis for market driven compensation updates, generally on a bi-annual basis, performed by the original consultant. The compensation system is premised upon a standardized step system with annual step progression based on Council-approved funding. The market analysis has generally included 20 plus specific peer cities in addition to overall market data with the objective of setting City salaries at 60% of the market rate. Benchmarked positions are utilized for the market analysis with a limited number of position exceptions. The City's annual compensation changes have generally been across the board increases with the deletion of the lowest step and the addition of a new, highest step.

Date	Event/Increase
7/1/2004	Burris/Thompson classification/compensation plan put into effect
7/1/2005	3.5% salary increase for full time employees
7/1/2006	Step 9 added to plan, full time employees increase of 3.5%
7/1/2007	3.5% salary increase for full time employees, employees at Step 9 receive 3% COLA
7/1/2008	1.0% salary increase across the board; drop Step 1 and add Step 9; all full time employees receive 4.5% salary increase
7/1/2009	All salaries frozen
7/1/2010	All salaries frozen; all full time employees receive \$750 bonus
7/1/2011	3.5% salary increase for full time employees, dropped Step 1 and add Step 9
7/1/2012	3.5% salary increase for full time employees, employees at Step 9 receive 2% COLA
7/1/2013	3.5% salary increase for full time employees, drop Step 1 and add Step 9

The City believes this approach has resulted in compression issues and may have resulted in market disparities for particular positions.

5. Services Requested/Specifications

The City needs professional information, advice and evaluative services for classification and compensation of its employees. The City has identified certain specific needs and goals and the Proposer's submittal should provide information on the Proposer's expertise in these areas. The Murfreesboro City Council has adopted a "Proposed Focus & Framework Classification & Compensation September 2013" document ("Framework"). This document is attached to and is an essential part of this RFCSP. The City is seeking expert, experienced consulting services to enable it to achieve the goals and objectives in the Framework document. It expects that the strategies in the Framework document will be the most appropriate ones to achieve the specified goals and objectives but, as stated in the Framework document, they may be adjusted as a result of the work to be performed, including employee participation, survey data, interviews and research. The selected service provider will need industry experience, comprehensive data and financial modeling systems, and legal knowledge of the specified areas.

6. City Terms and Conditions

It is important for each Proposer to become familiar with each paragraph within this section, as these paragraphs will control the interpretation of any ambiguities in the event of any discrepancies or differences in project-related contractual documents.

The Proposer must clearly and specifically detail any exceptions it takes to the Terms and Conditions referenced in this section in the transmittal letter that will accompany its RFCSP response.

6.1 Standards

Proposer must affirm that under its employment policies, standards and practices, it does not subscribe to any personnel policy that permits or allows for the promotion, demotion, employment, dismissal or laying off of any individual due to the individual's race, creed, color, national origin, age or sex and that it is not in violation of and will not violate any applicable laws concerning the employment of individuals with disabilities.

It is the policy of the City not to discriminate on the basis of age, race, sex, color, national origin, or disability in its hiring and employment practices, or in admission to, access to, or operation of its programs, services, and activities. With regard to all aspects of this contract, Proposer will be required to certify and warrant that it will comply with this policy.

Proposer understands that it shall be a breach of City's ethical standards policies for any person to: offer, give, or agree to give to any City employee or former employee, or for any City employee or former employee to solicit, demand, accept or agree to accept from another person, a gratuity or an offer of employment in connection with any work, decision, approval, evaluation or recommendation, investigation, or in any other advisory capacity in any proceeding pertaining to this RFCSP or any contract or subcontract resulting therefrom.

A breach of these ethical standards may result in civil and/or criminal sanctions and/or debarment or suspension from being a contractor or subcontractor for any City contract.

6.2 Warranties

Proposer warrants it will perform the services in a professional manner according to the standards established in the industry for the type of work to be performed.

6.3 Indemnification

The Proposer shall indemnify the City and hold it harmless against all claims, liability, demands, liens, taxes, loss or damages of any character suffered by the City arising from any operations, acts or omissions of Proposer related to the work. Proposer's indemnification shall also encompass any and all financial damages to City resulting from the activities and responsibilities of the Proposer, Proposer's employees, and any subcontractors or joint-venturers.

6.4 Terms for Payment

Payment for services delivered will be thirty (30) days from the date of the invoice.

6.5 Assignment

The successful Proposer shall not assign, transfer, convey, sublet or otherwise dispose of any contract award or any or all of its rights, title or interest therein, without prior written consent of the City. Such consent by the City shall not relieve the assignor of liability in the event of default by the assignee.

6.6 Insurance

The successful Proposer shall maintain at least the following commercial insurance policies for the duration of the contract in the amounts specified:

- Workers' compensation and employer's liability insurance – Workers' compensation in compliance with the applicable state and federal laws; employer's liability with a limit of \$1,000,000 per occurrence.
- Comprehensive general liability insurance – insurance including blanket contractual, broad form property damage, completed operations, and independent contractor's liability, all applicable to personal injury, bodily injury, and property damage to a limit of \$1,000,000 per occurrence and \$2,000,000 aggregate.
- Comprehensive automobile liability insurance – Must include owned, hired, and non-owned automobiles, for bodily injury and property damage to a combined single limit of \$1,000,000 each occurrence.
- Professional liability (errors and omissions) insurance affording professional liability insurance – To a limit of \$1,000,000 each claim, and \$1,000,000 aggregate.
- Technology Errors and Omissions insurance - to include data breach and loss of personally identifiable information – To a limit of \$1,000,000 each claim, and \$2,000,000 aggregate.

The selected Proposer must provide City with the required insurance certificates and endorsements and name the City as an additional insured on the liability coverages prior to contract execution.

6.7 Scope of Insurance and Special Hazards

The insurance required under the preceding paragraphs shall provide adequate protection for the successful Proposer and any sub-contractors or joint-venturers against damage claims that may arise from operations under the contract, whether such operations are by the insured or by anyone directly or indirectly employed by the successful Proposer.

6.8 Governing Law and Venue

The contract will be governed by the laws of the State of Tennessee. Venue for any action shall be in the applicable court for Rutherford County, Tennessee.

6.9 Compliance With Laws

The Proposer's contract shall comply with applicable Federal, State, and Local statutes, rules, and regulations. Proposers shall be approved by the appropriate regulatory authorities, if any, in the State of Tennessee to provide the services herein described.

7. Guidelines for this Request for Competitive Sealed Proposals Process

7.1 Basis for Proposals

Only information supplied by the City in writing should be used in the preparation of a proposal. Oral interpretations or clarifications shall not be binding. Proposers must acknowledge any subsequently issued addenda by signing and including such documents in the proposal.

7.2 Proposer Terms and Conditions

The Proposer must submit a complete set of any additional terms and conditions that it proposes to have included in contract negotiations with the City with its proposal. City will not accept any contract term limiting Proposer's liability to the amount of the contract. Additionally, the Proposer must submit any and all documents/agreements it will require City to sign with its proposal.

7.3 Disclosure of Proposals

As a matter of state law, each Proposer's RFCSP response in its entirety will become a public record after completion of the selection process. The content of any proposal will not be disclosed to other Proposers during the selection process.

7.4 Late Proposals

Proposals must be received at the specified location on or before the published proposal due date and time. Any proposal received after the time and date set for receipt of proposals will be late and, at the discretion of City, may not be considered.

7.5 Signing of Proposals

The submission and signature of a proposal shall indicate the intention of the Proposer to adhere to the provisions described in this RFCSP and therefore must be signed by a representative with the authority to do so.

7.6 Cost of Proposal

This RFCSP does not commit the City to pay any costs incurred by any Proposer in preparation and/or submission of a proposal or for procuring or contracting for the items to be furnished under the RFCSP. All costs directly or indirectly related to responding to this RFCSP (including all costs incurred in supplementary documentation or on-site interviews) until contract execution will be borne by the Proposer.

7.7 Conflict of Interest, Non-Collusion and Anti-Lobbying

The Proposer promises that its officers, employees or agents will not attempt to lobby or influence a vote or recommendation related to the firm's proposal, directly or indirectly, through any contact with City Council members or City employees between the release

of this RFCSP and award of the contract by City and that there will be no collusion and no conflict of interest.

7.8 Ownership of Proposals

All documents submitted in response to this RFCSP shall become the property of City.

7.9 Disqualification or Rejection of Proposals

Proposers may be disqualified for any of the following reasons:

- There is reason to believe that collusion exists between or among two or more Proposers;
- The Proposer is in arrears on an existing City contract or has defaulted on a previous City contract;
- The Proposer lacks financial stability;
- The Proposer has failed to perform under a previous or current City contract;
- The Proposer has failed to adhere to one or more of the provisions established in this RFCSP;
- The Proposer has failed to submit its proposal in the format specified herein;
- The Proposer has failed to submit its proposal on or before the deadline established herein; or
- The Proposer has failed to adhere to generally accepted ethical and professional principles during the proposal process.

7.10 Right to Waive Irregularities

Proposals shall be considered irregular if they show any omissions, alterations of form, additions, conditions not called for, or irregularities of any kind.

The City reserves the right to waive irregularities. The City also reserves the right to waive any mandatory requirement, provided that all proposals failed to meet the same mandatory requirement and the failure to do so does not otherwise materially affect the procurement. This right is at the sole discretion of City.

7.11 Withdrawal of Proposals

Proposals may be withdrawn by written notice if received by the City prior to the exact hour and date specified for receipt of proposals. A proposal also may be withdrawn in person, but only if the withdrawal is made by a person clearly authorized to act on behalf of the Proposer and such person signs a receipt for the proposal prior to the exact hour and date set for the receipt of proposals.

7.12 Amendment of Proposals

A Proposer must submit any amended proposal before the deadline for receipt of proposals. Such amended proposal must be a complete replacement of a previously submitted response and must be clearly identified as such in the transmittal letter. City will not merge, collate, or assemble proposal materials.

7.13 Proposal as Firm Offer

Responses to this RFCSP, including cost, will be considered firm for ninety (90) days after the due date for receipt of response or receipt of the last and best final offer submitted. All proposals must include a statement to that effect.

7.14 Exceptions to RFCSP Specifications

Although the specifications stated in the RFCSP represent City's anticipated needs, there may be instances where it is in City's interest to permit exceptions to specifications and accept alternatives.

It is extremely important that the Proposer make very clear where exceptions are taken to the specifications and how the Proposer will provide alternatives. Therefore, exceptions, conditions, or qualifications to the provisions of City's specifications must be clearly identified as such together with reasons for taking exception, and inserted into the proposal response. If the Proposer does not make clear that an exception is being taken, City will assume the proposal response is responding to and will meet the specification as written.

Where the Proposer does not agree with City's terms and conditions, the proposal must enumerate the specific clauses that the Proposer wishes to amend or delete and suggest alternative wording. Any minimum terms that City will have to agree to in order to enter into a contract with the Proposer and any item the Proposer considers to be a mandatory term must be submitted with the RFCSP response.

7.15 Consideration of Proposals

Discussions may be conducted with responsible Proposers for the purpose of clarification to assure full understanding of the proposal. In conducting discussions, there will be no disclosure of any information derived from proposals submitted by competing Proposers. Until the City awards the contract, it reserves the right to reject any or all proposals and waive technicalities, to re-advertise for new proposals, or to proceed with the work in any manner as may be considered in the best interest of City.

7.16 Termination

The City reserves the right to cancel this RFCSP at any time. The City also reserves the right to reject any or all proposals submitted in response to this RFCSP.

7.17 Taxes

Proposer will be responsible for the payment of any applicable tax on the services it will provide. At the time of this RFCSP neither the State of Tennessee nor the City impose a sales tax on consultant services of this type. Proposers will include in its fee proposal all applicable local, City, state, and federal taxes.

7.18 Award of Contract

The City reserves the right to withhold final action on the RFCSP for a reasonable time, not to exceed ninety (90) days after the date of submitting proposals, and in no event will an award be made until further investigations have been made as to the responsibility of the proposed Proposer. The award of the contract, if an award is made, will be to the most responsible and responsive Proposer whose proposal meets the requirements and

criteria set forth in the Request for Competitive Sealed Proposal and whose contract terms are acceptable to City. City reserves the right to abandon, without obligation to the Proposer, any part of the project, or the entire project, at any time before the successful Proposer begins any work authorized by City.

The award of the contract shall not become effective until the contract has been executed by the successful Proposer and City.

7.19 Appeal Process

Each Proposer shall be notified of the Proposer selected for recommendation to the City Council before the proposed City Council action. A protest by an aggrieved Proposer who is not selected will be heard by the City Council if filed with the City Council, through the City Recorder, within seven (7) days after the intended award is announced. Any issue raised by the protesting party after the seven day period shall not be considered as part of the protest. The City Council may stay an award due to a pending protest without financial or other obligation to the Proposer recommended to the Council. The City Council may, by resolution, adopt rules and procedures applicable to protests.

7.20 Execution of Contract

The City shall authorize award of the contract to the successful Proposer. City will require the successful Proposer to sign the necessary documents entering into the required contract with City within 10 days of receipt and to provide the necessary evidence of insurance as required under the contract.

No contract for this project may be signed by City without the authorization of the City Council. No contract shall be binding on City until it has been approved and executed by the Mayor or designee and approved as to form by the City Attorney.

8. Criteria for Evaluation of Proposals

<u>Criteria</u>	<u>Description</u>	<u>Weight</u>
Experience	Demonstrated ability to successfully perform classification studies with similarly sized employee organizations.	15%
	Demonstrated ability to successfully perform compensation studies.	15%
	Public Sector, particularly municipal, experience. Tennessee experience (public or private).	5%
	Demonstrated ability in coordinating total compensation strategies with the classification and compensation study.	5%
Team	Relevant experience of the Project Manager and all other key personnel.	10%

Methodologies	Proposal reflects utilization of City's current goals, objectives and strategies as reflected in the Framework document. The methodologies to be utilized in achieving the development of classification system and compensation study including the strategies and methods for communicating and engaging the City's employees in the process, data-gathering on compensation and benefits, evaluation method to be used, how internal equity and external parity will be established, and experience with performance management systems.	20%
Plan of Work	Tentative outline of work and timeline for delivery of the study or how such a plan would be developed. City's responsibilities.	5%
Fee	Amount of and rationale for all-inclusive fee and any alternative proposals.	25%

9. RFCSP Requirements and Format

Please use the following format to structure your RFCSP response. Your response should include each section detailed below in the order presented. The detail includes items that are to be covered in each section of your response but is not a limitation. Failure to follow the directions or to address all items will impact the evaluation. Failure to address a significant portion of the items may classify the response as non-responsive and preclude it from further consideration. **The number of pages in the RFCSP response cannot exceed 50 pages.** Appendices will not be counted as part of the 50 page limit. Resumes and marketing material may be included and will not be counted towards the 50 page limit; however this information must be in its own section at the back of the RFCSP response. All materials must fit into a single binder. Please supply seven (7) hard copies and two (2) electronic copies.

Cover with Table of Contents

Transmittal Letter

The transmittal letter will indicate the intention of the Proposer to adhere to the provisions described in the RFCSP without modification. The letter of transmittal should:

- 1) Identify the submitting organization;
- 2) Identify the person, by name and title, authorized to obligate the organization contractually;

- 3) Identify the contact person responsible for this response and specify phone, fax, and email address;
- 4) Explicitly state that Proposer has reviewed and accepted the City's Terms and Conditions;
- 5) State that it has included any additional terms or conditions or documents which it requires;
- 6) Identify any and all exceptions or "deal breakers" to the RFCSP requirements;
- 7) Acknowledge the proposal is considered firm ninety (90) days after the due date for receipt of proposals or receipt of the last best and final offer submitted. If partners are used, they must also guarantee their section of the proposal for 90 days;
- 8) Acknowledge completion of the Fee Proposal; and
- 9) Signed by a person authorized to contractually obligate the organization.

Proposal

- 1) Proposer Profile: Please provide a description of the organization and any other firms who will be providing products or services through a joint venture or subcontracting arrangement with the Proposer.
- 2) Focus and Framework: Respond to the "Proposed Focus & Framework Classification & Compensation" document attached as a part of this RFCSP including an assessment of the feasibility and appropriateness of its goals and strategies and a description of how the Proposer envisions performing the work necessary to achieve them in a timely and economically efficient way. This work plan should specifically include the valuation method to be used and the rationale for its selection, how total compensation/total rewards can be addressed, methods of employee engagement to be considered for utilization, and the City's interest in performance management as a basis for compensation. The work plan can address the classification and compensation components of the study separately. The City recognizes that the entities and personnel performing each area of work may be different.
- 3) References: Please provide references for at least five (5) governmental organizations in the United States of similar size and type to City for whom Proposer has provided similar services. If Proposer provides on-going maintenance consulting services for any referenced client, please identify and describe that in full. Also identify any classification and compensation consulting experience in the State of Tennessee.
- 4) Experience and Qualifications: Please describe your organization's experience and qualifications not otherwise described in the References section.
- 5) Project Manager: Identify and provide information about the person anticipated to be primarily responsible for ensuring satisfactory and timely performance of the work by the selected Proposer. A resume may be included as an appendix to the Proposal. If there is more than one potential project manager, each should be identified and described.
- 6) Key Personnel: Identify and provide a brief description of individuals other than the Project Manager expected to perform significant and substantive work under the contract. Describe their different roles and responsibilities. A resume for each may be attached as an appendix to the Proposal.
- 7) Compilation of Data and Analysis: Successful performance of the work will require obtaining and analyzing data, particularly as regards to market-based

- compensation. Describe the methods expected to be used to obtain and analyze data in the performance of required functions.
- 8) Scheduling: Provide a tentative strategy and timeline for delivery of the services sought or a description of how such strategies and timeline would be developed if the Proposer is selected.
 - 9) City's responsibilities: Identify and briefly describe the role and responsibilities Proposer would expect City to perform in achieving delivery of the requested services.
 - 10) Litigation: Identify and briefly describe any pending criminal or civil suits brought against the Proposer, and any suits which have resulted in an adverse judgment or settlement within the past five (5) years, arising out of Proposer's provision of classification or compensation consulting services and/or allegations of federal or state regulatory violations in provision of services similar to those requested. Please also identify and describe any litigation of which you are aware which has resulted from a client's implementation of classification and/or compensation policies or practices which you recommended.

Fee Proposal

The City is interested in receiving a fee proposal which reflects the existing expertise of the Proposer and its ability to deliver the requested consulting services using efficient, proven methods at a reasonable cost. The submittal of an all-inclusive flat fee with the initial proposal is strongly desired but is not absolutely required. Alternative fee proposals may be submitted with the initial proposal. Any fee proposals should indicate the rationale for the proposal.

Submittal

All Proposals should be delivered to Glen Godwin, City of Murfreesboro Human Resources Director, 111 West Vine Street, Murfreesboro, TN 37130 OR P.O. Box 1139, Murfreesboro, TN 37133-1139.

All Proposals must be submitted in a sealed envelope clearly labeled "RFCSP-Classification & Compensation Consulting Services". All Proposals must be delivered by 4:00p.m. local time on November 25, 2013.

Any changes to this RFCSP or its schedule will be posted on the City's website: www.murfreesborotn.gov/classificationcompensationrfcsp/.

**CITY OF MURFREESBORO
PROPOSED FOCUS & FRAMEWORK
CLASSIFICATION & COMPENSATION
September 2013**

NOTE: The City Council is responsible for establishing policy and approving the budget and salaries of employees. This document is intended to set targets for development of a classification and compensation plan. Plan development will include employee participation, survey data, interviews and research. The City may adjust the goals or strategies in this document as a result of the plan development process. The City Council and City Manager retain the ability to make decisions they believe are in the best interests of the City.

COMPENSATION SYSTEM PURPOSE AND PHILOSOPHY

The City of Murfreesboro believes that its employees are critical in achieving the City's mission, goals and objectives. To be successful, the City must employ and retain qualified and productive people.

In order to be a high performing organization, The City will attract and retain employees who are customer focused and team players. The City will attract and retain employees who demonstrate initiative, while also accepting responsibility and accountability for their work performance.

To support, encourage and reward employees, the City will use a classification and compensation system and operate that system in an open, fair and equitable fashion. The City will operate the classification and compensation system with emphasis on recognizing and rewarding employees for their success and continuing professional development. The City will offer appropriate developmental and advancement opportunities to retain the most qualified and productive employees.

GOAL 1 – CLASSIFY THE WORK

To provide for a simplified flexible classification system that defines the general scope and complexity of the work required. The classification system will also facilitate internal equity across all jobs within all departments of the City.

Objective 1 – Broad Class Structure

To establish a classification structure that reflects meaningful and measurable differences in the level of work within each occupational group but maintains the flexibility necessary for employee growth and efficient management.

Strategies – Broadly Defined Classes

- The classification system will consist of broadly defined classes that reflect the essential duties and responsibilities performed by incumbents in each class. This approach will facilitate flexibility in the assignment of duties to individual employees within the job classification.

Note: The goals, objectives and strategies set forth in this document are policy statements and are subject to change by City Council at any time.

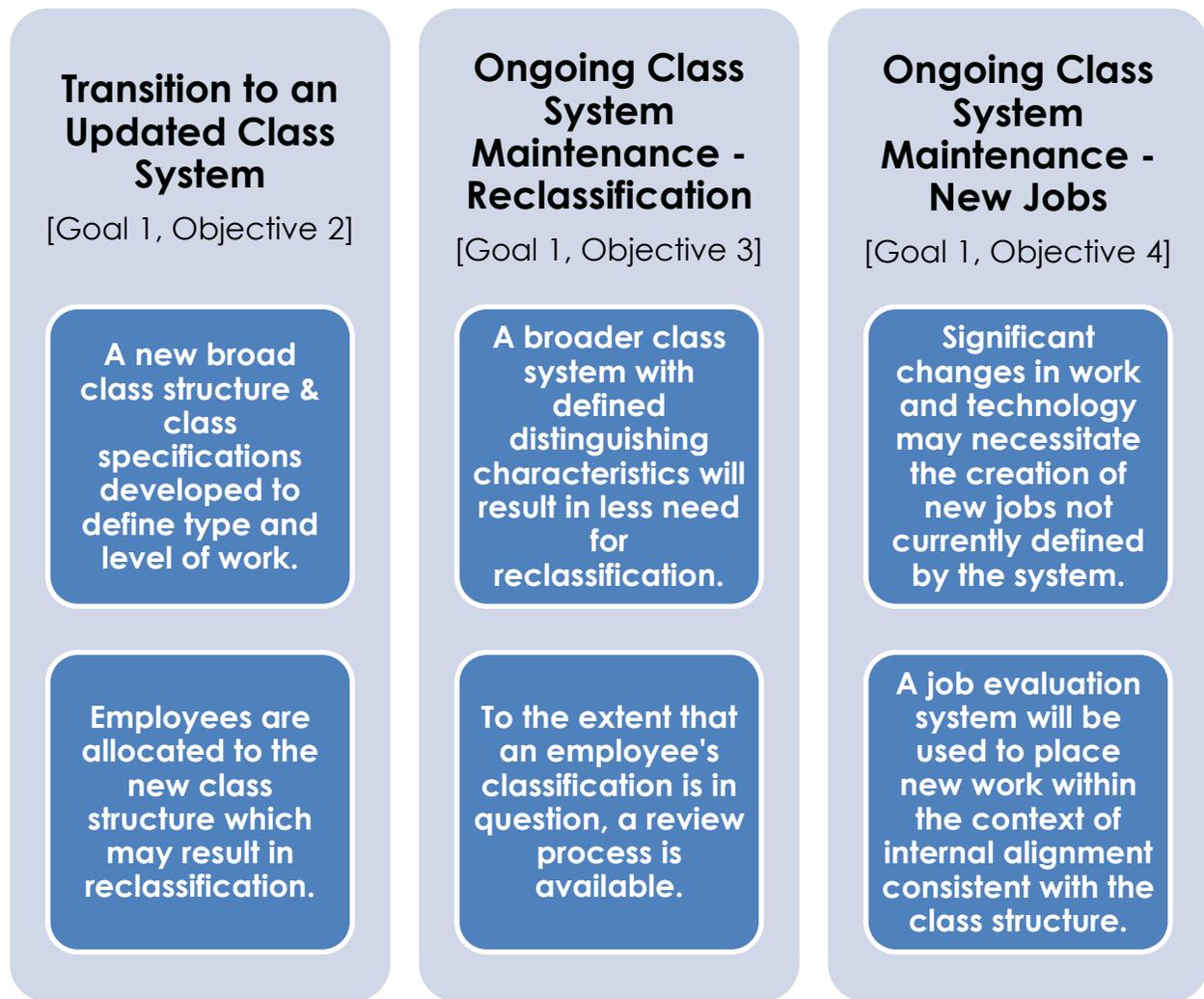
**CITY OF MURFREESBORO
PROPOSED FOCUS & FRAMEWORK
CLASSIFICATION & COMPENSATION
September 2013**

- Where practical and feasible within each occupational group, there will be an opportunity for career advancement. The differences in job levels will be clearly defined and defensible. The number of levels will be limited by the overall compensation at the upper level in order to minimize the degree of compression between the various levels.

Strategies/Tactics – Classification System Transition and Maintenance

- A process will be developed to address movement to an updated system described as follows:

CLASSIFICATION SYSTEM DEVELOPMENT, TRANSITION, AND MAINTENANCE



Note: The goals, objectives and strategies set forth in this document are policy statements and are subject to change by City Council at any time.

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Objective 2 – Classification Structure/System Update

The classification plan will meet the current needs of the departments while providing maximum flexibility to manage and organize the work in a changing environment where employee engagement is emphasized.

Strategies – Classification System Development – Broadly Defined Classes

- A class structure will be developed consistent with the adopted classification and compensation philosophy.
- The class specifications, including the statements of essential duties, minimum qualifications, essential and non-essential functions, physical (ADA) requirements, and FLSA classification, will be written to reflect the current needs of the City. The goal is to ensure that new hires are qualified and capable of performing the work required. The City will review the impact of qualifications on incumbents as an element of the Study.
- Employee involvement will be critical to the success of the project. The process will include opportunities for employees to provide input, feedback and information. These opportunities may include one on one meetings, surveys, and panels among others.

Strategies – Classification System Transition

- Responsibilities for each step of the classification process will be established to include the employee, Department head, and the HR Department.
- Employees will be notified in writing of the allocations to classifications.
- Employees will not receive any adjustment in their base compensation unless the salary range for the class into which they are classified has a minimum salary that exceeds the employee's current salary.
- An employee classified into a job with a lower maximum rate of pay than the current salary may have their salary frozen or reduced to the job rate of the new salary range.
- Timetables will be established for action on classification allocation reviews.

Note: The goals, objectives and strategies set forth in this document are policy statements and are subject to change by City Council at any time.

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Objective 3 – Ongoing Consideration of Job Reclassification

The reclassification process will be administered by the Human Resources Department in an efficient, cost effective, responsive, fair, and equitable manner to meet the needs of both the City and its employees. Because the City is adopting the concept of broad job classifications, the number of reclassifications should be minimal since the differences between classifications will be clearly defined.

Strategies – Ongoing Consideration of Reclassification Requests

- Responsibilities for each step of the reclassification process will be established to include the employee, Department head, with the Human Resources Department functioning as the process gatekeeper.
- Timetables will be established which will set the time the reclassifications will be reviewed and acted upon.
- Employees who are reclassified will not receive any adjustment in their base compensation unless the salary range for the class into which they are reclassified has a minimum salary that exceeds the employee's current salary. Reclassification should not be used to circumvent promotions into a higher job classification.
- Employees will be notified in writing of the results of the reclassification process.
- An employee reclassified into a job with a lower maximum rate of pay than the current salary may have their salary reduced to the job rate of the new salary range or have their salary frozen as appropriate within the guidelines of relevant City of Murfreesboro Employee Handbook policies.

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Objective 4 – Ongoing Classification of New Jobs

The classification system will be responsive to organizational and environmental change through the creation of new classes and redefinition of job responsibilities as defined by the City and its departments.

Strategies – New Job Development Process

- The class specifications will be reviewed by the departments on a periodic basis to ensure they meet current needs. The HR Department will facilitate the process to request a new position.
- The HR Department will assist with the revision of class specifications and development of new class specifications within the broad class concept as necessary to meet the on-going operational requirements of the City.
- New job classes will be considered in that instance where new work is identified that is not otherwise accommodated by the existing job classifications. It is not intended that this process be used to circumvent the market compensation system by creating new classes to accommodate employees who may be at the market maximum for their job class.

GOAL 2 – COMPETITIVE TOTAL COMPENSATION

The compensation system will reflect both internal equity and external parity within the various labor markets in which the City must compete. The compensation system will reward employees who perform at above-standard levels within their respective job class. Ongoing indexing of the external market incorporates the concept of "cost of living."

Objective 1 – Total Compensation

Compensation shall be defined as the value of base pay, any supplemental pay and employee benefits.

Strategies – Approach to Total Compensation

- The City will evaluate cash compensation and employee benefits independently of each other. It is the City's policy to achieve market parity for both base pay and employee benefits.

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Objective 2 – Competitive Market & Benchmark Positions

Compensation levels should reflect the multiple labor markets (both public sector and private sector) in which the City competes. The value of compensation offered to City employees shall be consistent with that offered by employers with whom the City must compete within both the public and the private sectors. The compensation system will reflect the distinctive characteristics of public safety employment.

Strategies – Management Level Classes

- For management level classes (department heads and above), the labor market will include similar-sized cities (approximately 50%-200% of the City's population size) and other public sector organizations with which the City competes for labor throughout the southeastern United States. Organizations should be similar in character as the City (located adjacent to a metropolitan area and/or be rapidly growing).
- Private sector data shall also be included for those jobs that exist in the private sector (e.g. finance, IT, human resources).
- Public sector data may be obtained either through survey of specific organizations that meet the specified criteria or from published sources where data reflects the defined labor market. Private sector data will be obtained from published sources.

Strategies – Professional and other Exempt Job Classifications

- The labor market will include similar-sized cities (approximately 50%-200% of the City's population) and other public sector organizations with which the City competes for labor throughout Middle Tennessee.
- Because of the limited number of jurisdictions of comparable size within the state, it may also be appropriate to include cities in adjacent states to ensure an adequate representation of public entities.
- Private sector data shall also be included for those jobs existing in the private sector (e.g. finance, IT, human resources.)
- Public sector data may be obtained either through survey of specific organizations that meet the specified criteria or from published sources where data reflects the defined labor market. Private sector data will be obtained from published sources.

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Strategies – Public Safety (Sworn Officers and Firefighters) Non-exempt

- The labor market will include cities and other public sector organizations with which the City competes for labor in Middle Tennessee.
- Public sector data may be obtained either through surveys of specific organizations that meet the specified criteria or from published sources where data reflects the defined labor market.

Strategies –All Other FLSA Non-Exempt Level Classes

- The labor market will include cities and other public and private sector organizations with which the City competes for labor in Middle Tennessee.
- With this as a general strategy, it is understood that there may be case-by-case instances where the City may look outside this defined labor market (for example, jobs such as those in information technology) when necessary to achieve recruitment objectives.
- Public sector data may be obtained either through survey of specific organizations that meet the specified criteria or from published sources where data reflects the defined labor market. Private sector data will be obtained from published sources.

Objective 3 – Job Value

Job value will include a combination of external market parity analysis and internal job equity.

Strategy – Job Evaluation Methodology

- The City shall select a job evaluation methodology that is appropriate for use with broad classifications as outlined in Goal 1, objective 2.
- The Human Resources Director shall recommend a job evaluation methodology to the City Manager that is appropriate for use with broad classifications as outlined in Goal 1, objectives 3 and 4.

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Objective 4 – Pay Ranges

On average, pay grades/ranges/bands will approximate the 60th percentile of the defined labor market for each job as reported in salary survey results in order to recruit and retain qualified employees as outlined in the purpose and philosophy statement. This means that the City's job rate will be, on average, at a level where approximately 40% of the labor market will pay more and 60% of the labor market will pay less. Some job classifications may be paid at a higher level relative to the market while other jobs may be paid a lower level in relation to the market based on the City's ability to recruit and retain appropriate personnel. Pay range minimums and maximums will be established from survey results. The actual placement for an individual job classification will be made relative to the market.

Strategies – Pay Ranges

- The salary structure will provide sufficient breadth to recognize the increased value to the City based on performance that meets or exceeds standards for the job. The "job rate" is roughly the center of each pay range. Pay ranges –the range between the minimum and maximum pay- may be broad or narrow depending on the type and level of job classification.
- The hiring range will be from the range minimum to the job rate, based on qualifications and dependent on market conditions. Appointment above the job rate, but not to exceed the maximum, will be allowed subject to the approval of the City Manager.
- The length of time for progression from the bottom of the salary range to the job rate will increase as jobs move up the salary grade structure. Progression above the job rate will be based solely on performance that is above standard. Merit compensation may or may not be added to the base compensation.
- Market rate progression between salary ranges will be at least five percent.
- There shall be a difference in progression to the job rate for public safety employees and other employees consistent with contemporary industry practice. Public safety structures in the market remain largely step-based as has been the tradition while the trend for all other public sector jobs in the market is toward a more performance-based pay progression model as used in the private sector.

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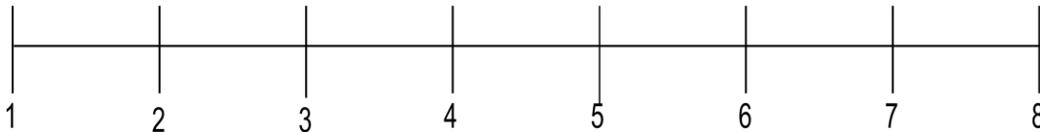
- For Sworn Police officers and State certified firefighters(FLSA non-exempt) personnel the market rate/job rate shall be the market maximum for the job classification.]

**Sworn Officers/State Certified Firefighter FLSA Non-exempt Pay
Progression Illustration**

(Percentage or amount of step increases has not been determined and may vary with position).

Salary Range
Minimum \$

Salary Range
Maximum \$
[Job Rate]



- **Pay Progression:** Typically based on longevity and usually automatic for competent “successful” performance as measured individually or on a team basis.
- **Steps:** Fixed increases. [Number of steps displayed is for example only.]
- **Market competitiveness:** Determined by comparison of range minimum and maximum.
- **Annual Range Adjustments:** Employee salaries automatically adjusted with range adjustment. Employees remain on step.
- **Performance Recognition:** Included as defined specifically for designated public safety personnel.

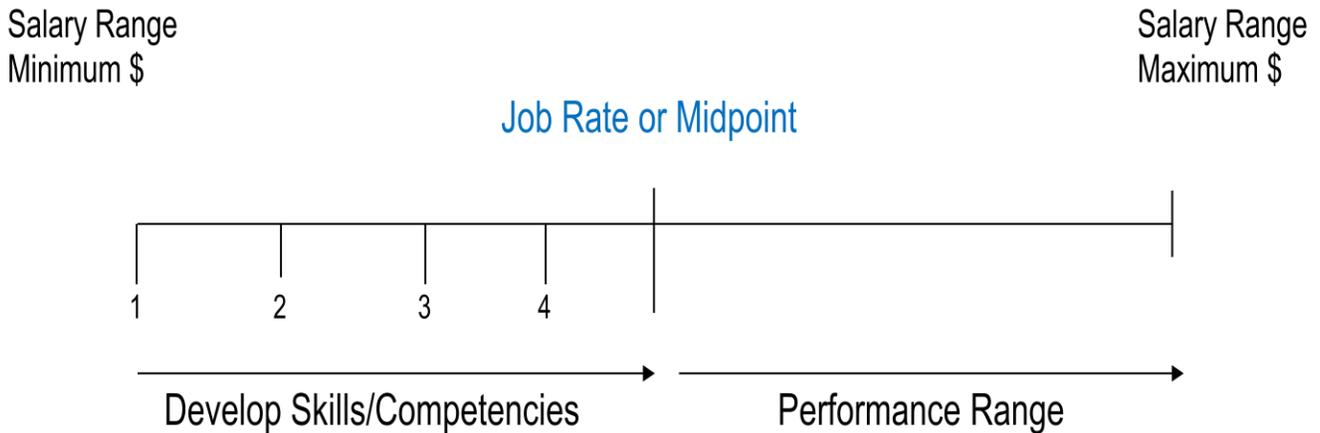
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- For all other job classifications within the City, the job rate shall be set, taking into account the market rate, at the midpoint of the salary range. [See Pay Progression Step Combination System Illustration Following.]

All Other Job Classifications Pay Progression Illustration

(Percentage or amount of step increases has not been determined and may vary with position).



- **Step area of Range:** Assumes a “learning curve”
 - Competencies could be established at each step
 - Pay can skip steps based on demonstrated competencies
- **Job Rate or Midpoint:** Assumes competent, “successful” performance established per philosophy
- **Performance Range:** Used for sustained exemplary performance up to the range maximum.

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- When a market comparison rate for a specific job/class exceeds the defined job rate by at least 15%, a market premium may be applied to the specific job/class and paid to all employees in the job/class who meet the specific requirements for the premium (e.g. one engineering specialty within the broader class of engineer). The market premium amount shall be applied to the full salary range for the job/class. The market premium shall be subject to review, no less frequently than every two years, and shall be adjusted as appropriate based on the market review. At such time as the market differential becomes 10% or less, the market premium will be eliminated.
- When necessary and appropriate, the City may use recruitment and/or retention incentives in order to compete for skills that may be in limited supply and are necessary in order to recruit and/or retain an individual into a position defined as a critical need by the City Manager. The amount of the recruitment and/or retention incentive shall be based on data obtained from survey results.

Objective 5 – Equity

Classifications for which there is no available market data or are not used in development of the salary structure (e.g., specialized jobs without peers in the marketplace) should be placed in the relevant salary structure based upon their internal relationship with other classes within the occupational group as determined through a standardized job evaluation process that is appropriate for use with a broadly based job classification structure and system.

Strategies – Job Evaluation Methodology

- The compensation structure will be based on market salary data for benchmark job classifications compiled through a salary survey.
- Placement of individual job classifications within the overall salary grade structure will be based on their relative internal value using a formalized job evaluation tool to be selected by the City consistent with the broad job classification philosophy outlined in Goal 1.

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Objective 6 – Total Rewards

Because compensation includes base pay, employee benefits, and variable compensation, employees need to be fully informed regarding their compensation and benefits.

Strategy – Total Rewards Statements

- The City shall issue a statement periodically to all employees reflecting the total value of the compensation and benefits package.

Objective 7 – Performance Management

The City intends, over a multi-year period, to base salary advancement on successful performance in the job class as determined through a valid job related performance appraisal system that can be used to guide compensation decisions, either in part or in whole. Upon implementation, employee pay advancement may be tied to annual increases up to the job rate for successful performance. Adjustments may be made when pay structures are adjusted for market changes with advancement above the job rate tied to outstanding performance. Overall, the “job rate” represents full value within the market for successful conduct of jobs. Access to pay above the job rate is available for outstanding performance.

Strategies – Performance Management Linkage to Pay

- Once the performance management system and process have been implemented and a reasonable implementation period has elapsed, performance evaluations may become the primary basis for awarding increases in compensation, so that compensation will be based on the person rather than the position.
- Employees who are hired below the job rate and have satisfactory performance should be eligible to receive a salary increase following completion of an initial employment period that will be established for each job classification. Thereafter, all salary increases should be granted annually, assuming 12 months of continuous full-time service within the same position and satisfactory performance.
- Employees whose performance is satisfactory should receive salary increases until they reach the job rate of the salary grade.
- Advancement beyond the job rate should be based solely on performance that exceeds defined standards or expectations for incumbents in the job class.

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- Non public safety Employees who have reached the midpoint of the salary range for their job classification (job rate) and whose performance exceeds the standard for the job class shall be eligible for compensation advancement or merit awards.
- Salary advancement shall be granted to those employees whose above standard performance is on-going and their long-term performance indicates that such above standard performance is the norm. If an employee demonstrates above standard performance for a single year but prior years' performance was at standard, the employee will receive a merit award that will not be added to the employee's base pay for subsequent years.
- Where necessary and appropriate, skill and/or competency based pay may exist in lieu of specific performance criteria.

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