



AGENDA ITEM EXECUTIVE SUMMARY

Agenda Item:	Recommend Approval of Resolution authorizing an Agreement with Gallagher Benefit Services for Joint Compensation Study.		
Presenter & Title:	Lisa Bahry, Human Resources Manager		
Date:	June 26, 2017		
<i>Please Check Appropriate Box:</i>			
<input checked="" type="checkbox"/>	Committee of the Whole Meeting		Special Committee of the Whole Meeting
<input checked="" type="checkbox"/>	City Council Meeting		Special City Council Meeting
<input type="checkbox"/>	Public Hearing		Other -
Associated Strategic Plan Goal/Objective: Vision 5: Manage City resources and assets to effectively and efficiently deliver core services, provide for capital investment and meet community needs and desires. E.2. Maintain a standard of excellence for city personnel through retention and recruitment policies and practices.			
Estimated Cost: not to exceed \$29,500		Budgeted? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Other Funding? <input type="checkbox"/> Yes <input type="checkbox"/> No
<i>If "Other Funding," please explain how the item will be funded:</i>			
Executive Summary:			
<p>At a Special Committee of the Whole in January 2017, the City Council authorized staff to solicit proposals to complete a classification and compensation study for all non-union positions. Following the direction from Council, staff learned that the City of Batavia was also interested in completing a compensation study. Therefore, the City of Geneva and the City of Batavia executed a joint request for proposal.</p> <p>Four proposals were received. Representatives from both Cities interviewed two of the firms. Based upon these interviews professional staff is recommending approval of an agreement for professional services with Gallagher Benefit Services for a Joint Compensation Study.</p> <ul style="list-style-type: none"> • Phase I has a combined cost of \$24,000 for the two cities which will be split equally. Phase I includes a survey to comparable communities, onsite meetings and evaluation of current pay plan and recommended revisions/updates to the plan. In addition to the combined cost, there is an additional fee of \$4,000 to each City for evaluation of current pay plan and recommended updates and revisions to the plan. Geneva's total cost for Phase I would total \$16,000. • Phase II, if necessary, may add up to \$13,500 (for Geneva) for the development of a new 			

salary structure and related training and updating of current policies and procedures. It is not anticipated that the City will incur the full cost of Phase II.

TriCom Central Dispatch Services will also be participating in the study at their own cost.

Attachments: *(please list)*

- Memo
- Resolution
- Agreement for Professional Services with Gallagher Benefit Services

Recommendation / Suggested Action: *(how item should be listed on agenda)*

Recommend approval of Resolution authorizing the City Administrator to enter into an agreement with Gallagher Benefit Services to complete a compensation study for the City of Geneva.

Memo

To: Mayor and City Council
Stephanie Dawkins, City Administrator

From: Lisa Bahry, Human Resources Manager

Date: 6/22/2017

Re: Batavia-Geneva Joint Compensation Study Costs

Representatives from the City of Geneva and the City of Batavia interviewed two companies in response to the Joint Request for Proposal, Compensation Analysis and Study. After reviewing each of the proposals Batavia and Geneva has selected Gallagher Benefit Services to conduct the joint compensation study. The study will be conducted in two phases. Phase I will consist of a custom salary survey sent to comparable communities with 31 selected benchmark positions selected by Batavia and Geneva. Phase I will include the following:

- A competitive analysis to determine whether the Cities lead, lag or are consistent with the market.
- Diagnostic review of the current salary structures to identify opportunities for simplification.
- Provide recommendations on salary structures and hierarchy on all nonunion positions within the cities.
- Develop up to three alternative pay implementation options for the Cities incorporating recommendations for pay system improvement.

Phase II of the project includes an estimated \$7500 for evaluation of internal equity through the Decision Band Method which would include the development of a new salary structure using the Decision Band Method (if determined necessary). An additional \$3000 to \$6000 may be needed for training and updating of policies if a new salary structure is implemented upon recommendation. Phase I of the study will cost \$16,000, and if necessary, Phase II could be an additional \$13,500. The cost of the project not to exceed \$29,500. The City of Geneva will assist Gallagher with the survey instrument and will offer assistance in order to control costs. It is not anticipated that the City will incur the full cost budgeted for Phase II; however, funds for Phase II should be available if restructuring of the compensation system is recommended. The timeline for completion is five months for both Phase I and Phase II of the study.

RESOLUTION NO. 2017-65

RESOLUTION AUTHORIZING AN AGREEMENT FOR PROFESSIONAL SERVICES WITH GALLAGHER BENEFIT SERVICES, INC. TO CONDUCT A COMPENSATION STUDY FOR THE CITY OF GENEVA

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GENEVA, KANE COUNTY, ILLINOIS, as follows:

SECTION 1: That the City Administrator is hereby authorized to enter into an Agreement with Gallagher Benefit Services, Inc. on behalf of the City of Geneva, in the form attached hereto as Exhibit "A", relating to a compensation study.

SECTION 2: This Resolution shall become effective from and after its passage as in accordance with law.

PASSED by the City Council of the City of Geneva, Kane County, Illinois, this ____ day of _____, 2017.

AYES: __ NAYS: __ ABSENT: __ ABSTAINING: __ HOLDING OFFICE: __

Approved by me this 3rd day of July, 2017.

Mayor

ATTEST:

City Clerk

AGREEMENT FOR PROFESSIONAL SERVICES

57

THIS MASTER AGREEMENT FOR PROFESSIONAL SERVICES (“Agreement”), entered into as of July 3, 2017 (the “Effective Date”), is between Gallagher Benefit Services, Inc., a Delaware corporation (“Gallagher”) and City of Geneva (the “Client”).

Gallagher and Client desire to arrange for the provision of services by Gallagher to the Client as set forth herein.

In consideration of the promises and mutual covenants set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. **ENGAGEMENT OF SERVICES.** From time to time, Gallagher and Client may enter into Project Assignment(s), for the provision of services provided by Gallagher (Projects). The exact nature and scope of the services shall be agreed, and the scope of services shall be detailed, in a Project Assignment. Each Project Assignment shall be governed by the terms and conditions of this Agreement.

2. **SCOPE OF PROJECT ASSIGNMENTS.** Gallagher will provide any services, functions, or responsibilities related to the services set forth in the Project Assignment that are (a) reasonably required for the proper performance and delivery of such services, functions, or responsibilities in accordance with this Agreement or (b) an inherent part of, or a necessary subpart included within such services, functions or responsibilities.

3. **STANDARD FOR PERFORMANCE.** Subject to the terms of this Agreement, Gallagher will use its best efforts to render the services and complete the Projects by the applicable completion dates.

4. **COMPENSATION.** Client will pay Gallagher a fee for services rendered under this Agreement as set forth in the Project Assignment(s) undertaken by Gallagher. Client shall be responsible for all expenses incurred by Gallagher in the performance of its services under this Agreement except where provided for in the Project Assignment. Upon termination of this Agreement for any reason, Gallagher will be paid fees specified on the Project Assignment for work which is then in progress on a proportional basis, and expenses incurred through the effective date of such termination. Unless other terms are set forth in the Project Assignment(s) for Projects which are in progress, Client will pay Gallagher for services and will reimburse Gallagher for previously approved expenses within thirty (30) days of the date of Gallagher’s invoice. A finance charge of 1.5% per month on the unpaid amount of an invoice, or the maximum amount allowed by law, will be charged on past due accounts.

5. **INDEPENDENT CONTRACTOR RELATIONSHIP.** Gallagher’s relationship with Client will be that of an independent contractor and nothing in this Agreement should be construed to create a partnership, joint venture, agent-principal or employer-employee relationship. In the performance of its duties, Gallagher may rely upon, and will have no obligation to independently verify the accuracy, completeness, or authenticity of, any written instructions or information provided to Gallagher by the Client or its designated representatives and reasonably believed by Gallagher to be genuine and authorized by the Client. Furthermore, Gallagher’s engagement under this Agreement will not prevent it from taking similar engagements with other clients who may be competitors of the Client. Gallagher will, nevertheless, exercise care and diligence to prevent any actions or conditions which could result in a conflict with Client's best interest.

6. **CONFIDENTIAL INFORMATION.** Gallagher recognizes that certain confidential information may be furnished by the Client to Gallagher in connection with its services pursuant to this Agreement (“Confidential Information”). Gallagher agrees that it will disclose Confidential Information only to those who, in Gallagher’s reasonable determination, have a need to know such information. Confidential Information will not include information that (i) is in the possession of Gallagher prior to its receipt of such information from the Client, (ii) is or becomes publicly available other than as a result of a breach of this Agreement by Gallagher, or (iii) is or can be independently acquired or developed by Gallagher without violating any of its obligations under this Agreement. However, disclosure by Gallagher of any Confidential Information pursuant to the terms of a valid and effective subpoena or order issued by a court of competent jurisdiction, judicial or administrative agency or by a legislative body or committee will not constitute a violation of this Agreement.

7. **REPRESENTATIONS AND WARRANTIES.**

7.1. **Gallagher Representations and Warranties.** Gallagher represents and warrants that its services shall be performed by personnel possessing competency consistent with applicable industry standards.

7.2. **Client Representations and Warranties.** Client hereby represents and warrants that: (a) materials provided to Gallagher for use in connection with the services provided hereunder will not infringe the intellectual property rights of any third party; and (b) Client has full right and power to enter into and perform this Agreement without the consent of any third party.

7.3. **No Other Representations and Warranties.**

58

EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES SET FORTH IN THIS AGREEMENT, NO OTHER REPRESENTATION, EXPRESS OR IMPLIED, AND NO WARRANTY OR GUARANTEES ARE INCLUDED OR INTENDED BY GALLAGHER IN THIS AGREEMENT, OR IN ANY REPORT, OPINION, DELIVERABLE, WORK PRODUCT, DOCUMENT OR OTHERWISE. THIS SECTION SETS FORTH THE ONLY WARRANTIES PROVIDED BY GALLAGHER CONCERNING THE MATTERS COVERED BY THIS AGREEMENT. THIS WARRANTY IS MADE EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE OR MERCHANTABILITY.

8. **LIMITED LIABILITY.** Gallagher's liability to the Client and any other party for any losses, injury or damages to persons or properties or work performed arising out of in connection with this Agreement and for any other claim, whether the claim arises in contract, tort, statute or otherwise, shall be limited to the amount of the total fees due to Gallagher from Client for the particular Project Assignment giving rise to the claim.

NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, GALLAGHER SHALL NOT BE LIABLE FOR ANY SPECIAL, INDIRECT, CONSEQUENTIAL, LOST PROFITS, OR PUNITIVE DAMAGES SUSTAINED OR INCURRED IN CONNECTION WITH THIS AGREEMENT, AND WHETHER OR NOT SUCH DAMAGES ARE FORESEEABLE.

Client's exclusive remedy for any claim arising out of or relating to this Agreement will be for Gallagher, at its sole option and upon receipt of written notice, either (i) to use commercially reasonable efforts to cure, at its expense, the matter that gave rise to the claim for which Gallagher is at fault, or (ii) return to Client the fees paid by Client to Gallagher for the particular service provided that gives rise to the claim, subject to the limitation contained in this section. Client agrees that it will not allege that this remedy fails its essential purpose.

9. **CLIENT INFRINGEMENT INDEMNIFICATION.** If a third party claims that any information, design, specification, instruction, software, data or material furnished to Gallagher by or on behalf of Client under this Agreement infringes any patent, copyright, trademark or trade secret, Gallagher will promptly notify client in writing. Upon receiving written notice, Client will then defend Gallagher against such claim and Gallagher shall control the defense and all related settlement negotiations, and then Client shall indemnify and hold harmless Gallagher from and against any damages including attorneys' fees, expenses and costs incurred by Gallagher and/or finally awarded against Gallagher for such infringement.

10. **CLIENT INDEMNIFICATION.** Client shall defend, indemnify and hold harmless Gallagher, its parents, subsidiaries and affiliates, and its and their respective directors, officers, members, shareholders, partners, employees, agents, successors and assigns (Indemnified Parties) from any claims, demands, lawsuits, damages, liabilities, costs and expenses (including reasonable fees and disbursements of counsel) and judgments and settlements of every kind (Claims) that may be made by anyone for injuries (including death) to persons or loss or damage to property, including theft, resulting in whole or in part from the acts or omissions of Client including injuries or damages incurred by any person or because Gallagher acts or fails to act based upon the instruction and/or direction of Client or those persons acting on behalf of Client. Upon receiving written notice from Gallagher, Client will then defend Gallagher against such claim and Gallagher at its option shall have the right to select counsel and control the defense and all related settlement negotiations, and then Client shall indemnify Gallagher from and against any damages finally awarded or agreed to be paid for such claim.

11. **TERM AND TERMINATION.** The term of this Agreement will commence on the effective date and shall remain in effect until terminated in accordance with this Agreement. Either party may terminate this Agreement by giving the other party at least thirty (30) days written notice of its intent to terminate. Client shall be responsible to Gallagher for any services performed prior to the date of termination and Gallagher shall be responsible to Client to continue to provide services until the date of termination of this Agreement. Upon termination of the Agreement, contingent upon Client's full payment for services and incurred expenses, Gallagher will deliver to Client any and all of its information, forms and documentation.

12. **GENERAL PROVISIONS.**

12.1 **Assignment and Subcontractors.** Client may not assign this Agreement without Gallagher's prior written consent. Gallagher may deem it necessary to outsource or subcontract all or any portion of the services to be performed by it under this Agreement. If this is necessary, Client will be notified of this and has the right to request a professional of their choice. If the person chosen by the Client requires assistance from Gallagher, Client will be billed for Gallagher's time at its regular hourly rate. This Agreement shall inure to the benefit of, and shall be binding upon, both Gallagher and Client and their respective heirs, legal representatives and permitted assigns.

12.2 **Force Majeure.** Except for Client's payment obligations under this Agreement, neither party shall be liable for any delay or failure in performance due to causes beyond its reasonable control.

12.3⁹ No Legal Advice Intended. The advice given by Gallagher is not intended to be nor shall should it be construed as legal advice. Client is recommended, at its own cost, to have its own independent legal counsel review all documentation provided by Gallagher. Gallagher will not be obligated to perform, and the Client will not request performance of, any services which may constitute unauthorized practice of law. The Client will be solely responsible for obtaining any legal advice, review or opinion as may be necessary to ensure that its own conduct and operations, including the engagement of Gallagher under the scope and terms as provided herein, conform in all respects with applicable State and Federal laws and regulations (including ERISA, the Internal Revenue Code, State and securities laws and implementing regulations) and, to the extent that the Client has foreign operations, any applicable foreign laws and regulations.

12.4 Severability. In case any one or more of the provisions contained in this Agreement shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect the other provisions of this Agreement, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

12.5 Notices. All notices, requests and other communications under this Agreement must be in writing, and must be mailed by registered or certified mail, postage prepaid and return receipt requested, delivered by overnight delivery or delivered by hand to the party to whom such notice is required or permitted to be given. If mailed, any such notice will be considered to have been given five (5) business days after it was mailed, as evidenced by the postmark. If delivered by overnight delivery or hand, any such notice will be considered to have been given when received by the party to whom notice is given, as evidenced by written and dated receipt of the receiving party. The mailing address for notice to either party will be the address show on the signature page of Agreement. Either party may change its mailing address by notice as provided by this section.

12.6 Governing Law. The parties agree that this Agreement shall be governed by, interpreted and construed in accordance with the laws of the State of Illinois.

12.7 Enforcement. In the event that Gallagher shall successfully bring an action against the Client with respect to the enforcement, interpretation, or breach of any provision of this Agreement, Client shall pay the amounts incurred by Gallagher with respect to such action, specifically including court costs, expenses and reasonable attorneys' fees.

12.8 Waiver. No waiver by Gallagher of any breach of this Agreement shall be a waiver of any preceding or succeeding breach. No waiver by Gallagher of any right under this Agreement shall be construed as a waiver of any other right. Gallagher shall not be required to give notice to enforce strict adherence to all terms of this Agreement.

12.9 Entire Agreement. This Agreement is the final, complete and exclusive agreement of the parties with respect to the subject matter hereof and supersedes and merges all prior discussions between them. No modification of or amendment to this Agreement, nor any waiver of any rights under this Agreement, will be effective unless in writing and signed by the party to be charged. The terms of this Agreement will govern all Project Assignments and services undertaken by Gallagher for Client. In the event of any conflict between this Agreement and a Project Assignment, the Project Assignment shall control, but only with respect to the matters set forth therein.

12.10 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument. One or more counterparts of this Agreement may be delivered by facsimile, with such delivery having the same effect as delivery of an original counterpart.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed on the date first written above.

City of Geneva, IL
By: 
Stephanie Dawkins
City Administrator

22 S. First Street
Geneva, IL 60134

Gallagher Benefit Services, Inc.
By: 
James C. Fox, Managing Director

1335 County Road D Circle East
Saint Paul, MN 55109

Project Assignment

1. Work Plan

This Cities has requested a compensation study covering 31 comparable job titles between the two Cities, and the 5 additional job titles from the Tri-Com Central Dispatch. The Cities have established comparable municipalities, and expressed desire to collect salary information from these organizations. Due to our understanding of the pressures on municipal budgets, we have presented two options for collecting local salary data: 1) Custom survey, and 2) Use of published salary surveys. In our experience, the difference between these two approaches is insignificant, and either method will provide a valid and defensible base for a salary structure.

In preparation for our proposal we looked into the websites of potential survey participants, and found that insufficient data is available for collecting recent salary information. Due to this data availability, the custom survey method would be needed to collect local labor market information. We understand that all Illinois municipalities are required to provide a total compensation report, however, this report is limited to job titles, which is insufficient information to validate job matches. Additionally, it is our experience that many municipalities direct these types of surveys to publicsalary.com, and this data may not be the most recent or accurate, and would require additional validation with the municipalities. Therefore, the approach to collect the most comprehensive, and cost-effective, data would be use published surveys for as many of the 31 job titles.

In addition, we have provided an optional job evaluation phase. In our experience, this is a valuable step in order to establish internal equity across the Cities's positions. Through the compensation study, salary data will not be available for some of the Cities's positions. With the application of a job evaluation method, the Cities will have a valid approach to properly place these positions into the new salary structure. In the long-term, the job evaluation method will enable the Cities to maintain internal equity by evaluating new and changed job responsibilities.

Below is our proposed project plan:

<u>Study Element</u>	<u>Summary Tasks/Deliverables</u>
<p>I. Project Initiation and Administration</p> <p><i>[Dependent on scheduling and availability of client materials.]</i></p>	<ul style="list-style-type: none"> ▪ Initial meetings conducted with the Cities management, HR, governance and others as appropriate to address current issues related to classification, compensation, pay and structure, policies, philosophies and strategies. ▪ Organization, classification, compensation, and job description material collected. ▪ Employee presentations. ▪ Project timetable refined.
<p>II. Job Evaluation Study (OPTIONAL)</p> <p><i>[Typical duration is 1-2 months, and done simultaneously with market data collection.]</i></p>	<ul style="list-style-type: none"> ▪ Due to the RFP statement referencing internal equity and the development of a complete salary structure we have included this optional phase. ▪ Discuss job evaluation methodologies with the Cities (see description of the Decision Band Method® at end of proposal) ▪ We will select a new job evaluation method or review current internal equity.

	<ul style="list-style-type: none"> ▪ Train Cities staff on the new method if needed. ▪ Apply methodology and review ratings with Cities to finalize.
<p>III. Compensation Study</p> <p><i>[Typical duration is 2-4 months, depending on data collection method]</i></p>	<ul style="list-style-type: none"> ▪ <u>Two alternative approaches:</u> ▪ Custom Survey: <ul style="list-style-type: none"> – Labor market confirmed and survey participants identified. – Benchmark jobs identified and summarized. – Custom survey developed and conducted. – Identification of hard to recruit positions and assessment of the relevance of compensation for recruiting. – Use published survey sources to supplement custom survey data. ▪ Use Published survey sources: <ul style="list-style-type: none"> – Identify published survey sources. – Identify labor market of comparable municipalities. – Collect market data from published survey sources. ▪ The following activities will be performed on all data regardless of the collection method: <ul style="list-style-type: none"> – Conduct a competitive analysis to determine whether the Cities leads, lags or is consistent with the market. – Using standard Compensation analytical tools, such as regression analysis, recommend the appropriate level of progression between ranges and/or the appropriate range width for each salary range. – Diagnostic review of current salary structures conducted to identify opportunities for simplification. – Provide recommendations on salary structures and hierarchy of all nonunion positions within the Cities. – Develop up to 3 alternative pay implementation options for the Cities incorporating recommendations for pay system improvement with associated implementation costs on a per employee basis.
<p>IV. Project Finalization</p> <p><i>[Typical duration is 1-2 weeks]</i></p> <p>Onsite presentation is priced separately</p>	<ul style="list-style-type: none"> ▪ Provide periodic progress reports for the Cities staff. ▪ Meet with leadership team at critical intervals to discuss deliverables. ▪ Develop draft reports for review and approval. ▪ Final report and presentations to employees and City Council's.

In conducting compensation studies, we follow professionally accepted compensation principles and practices as outlined by *WorldatWork*, SHRM, the U.S. Department of Justice and the Federal Trade Commission. Some of these guidelines are listed below. We have also authored many articles on various aspects of conducting salary studies; please refer to our website www.ajg.com/compensation for these specific articles. We have included a few articles that are relevant to the work plan in the Appendix.

- We follow guidelines for benchmark selection in terms of how many benchmarks should be selected; either at least 30% if utilizing a formal job evaluation methodology or at least 50% if using a pure market approach. We include representation of all job families and levels throughout the organization; highly populated jobs; jobs found in most comparator organizations; and jobs with recruitment or retention problems.
- We follow guidelines for job matching (match only those jobs that match at least 70% of the duties, responsibilities and functions as outlined in the benchmark job summary).
- Any published sources utilized must meet the following criteria:
 - Conducted by a reputable salary survey firm.
 - Survey data is not self-reported.
 - Survey is conducted on a continual basis instead of a one-time event.
 - Survey reports its data sources, the effective date of the data, and was tested to ensure accurate matches and data.
- We utilize trend factors for aging data so that all data is consistent to a current point in time. The trend factors are derived from either the U.S. Department of Labor data or *WorldatWork* Surveys.
- We apply geographic differentials as appropriate and necessary to ensure that the data are reflective of your labor market and economic conditions. We use third party resources (Economic Research Institute) to identify the appropriate geographic differentials.
- We document and explain our methodology and processes in written reports and also provide electronic copies of the reports. All of the data and conclusions are transparent and auditable.

GBS has comprehensive quality and performance standards. Each deliverable is reviewed by at least two individuals in the firm for quality control. If clients have issues that need to be addressed, the first contact is the project manager who will attempt to resolve the issues with, as necessary, the assistance of one of the Managing Directors.

2. Anticipated Project Schedule

The schedule presented below employs a sequential process of conducting a study of this nature although some tasks can be conducted simultaneously.

PHASE	DECIPTION	MONTH				
		1	2	3	4	5
I	Project Initiation & Administration Estimated hours	■				
II	Job Evaluation Study – OPTIONAL	■	■			
III	Compensation Study Estimated hours		■	■	■	

IV	Project Finalization Estimated hours				
----	---	--	--	--	--

3. Budget and Fee Summary

We understand the importance of this study as one of many strategies to address the current compensation issues and future administration of the new system, and we realize the delicate nature of municipal spending. Therefore, we have proposed sensible fee schedules that generate project results destined to add value to the Cities. It will provide the flexibility necessary to attract, retain, and motivate employees to provide quality services and ensure the system is not an administrative and/or costly burden to the Cities, now or in the future.

Our fees and expenses to conduct the compensation and pay compression study described above (including out of pocket expenses) will not exceed cost below:

Phase 1	Phase II
<ul style="list-style-type: none"> • Cost to conduct survey of identified comparable communities and inclusion of private sector positions where possible (combined Cities). Includes onsite meetings for each City to present the employees and onsite presentation at the end of the project to the City Councils. <p>Combined Cost of \$24,000 for the two cities. There will be an additional cost of \$2,500 for the Tri-Com positions in the survey because they are unique positions with a different labor market than the survey for the two cities.</p>	<ul style="list-style-type: none"> • Separate City cost of training for significant changes and implementation of compensation system <p>Per City/Tri-Com Cost of \$1,000 to \$3,500 depending on extent of changes.</p>
<ul style="list-style-type: none"> • Separate cost for City evaluation of current pay plan and recommended updates/revisions to plan <p>Per City Cost of \$4,000</p>	<ul style="list-style-type: none"> • Separate cost of policy and procedure updating <p>Per City/Tri-Com Cost of \$1,000 to \$3,500 depending on extent of updating necessary</p>
	<p>OPTIONAL JOB EVALUATION PHASE</p> <p>Separate cost for reviewing current internal equity ratings or implementing a new job evaluation method for internal equity and basis for salary structure.</p> <p>Per City Cost of \$7,500. Tri-Com would be less and need to be discussed if this approach is selected.</p>
Additional fees for travel and hourly rates outside	Batavia Total Cost - \$16,000 without

of scope of services See Below	options Geneva Total Cost - \$16,000 without options Tri-Com Total Cost - \$2,500
--	--

If onsite days are requested for employee meetings or trainings, cost will be \$4,500 per day.

Our study costs are directly derived from estimating the number of hours needed to perform the work and the level of the consultant charged with performing the work. Fox Lawson typically bills on a monthly basis up to the maximum of each deliverable. **All expenses are included in this quote.** For work *beyond that specified in this proposal*, additional fees and out of pocket expenses will be involved. We are available for discussion if the study requires additional services beyond the scope contained in the proposal.

In addition, we would be pleased to discuss other alternatives that involve your staff to a greater degree in the conduct of the work plan with associated cost savings.

Quality and Performance Standards

Each deliverable is reviewed by two individuals in the firm for quality control. If clients have complaints or issues that need to be addressed, they first contact the project manager who will attempt to resolve the issues. If that is insufficient, one of the Managing Directors becomes involved. While we are able to resolve many issues at the project manager level we will defend the professional standards that guide the processes we apply.

Post Study Assistance

In order to maintain the system, we recommend the City conduct annual classification assessments as requested by employees or when jobs are vacant. In addition, the City should update the salary structure annually and conduct a market survey (similar to the one conducted in this project) every three to four years to ensure continued competitiveness with the local market.

Our fees for post study assistance (other than clarifications of the study) are based on our then current hourly rates for the individual's time required based on the scope of the project. Our current hourly rates, effective through December 31, 2016, are as follows:

LEVEL	RATE	LEVEL	RATE
Managing Director	\$450	Consultant	\$250
Senior Consultant	\$350	Consulting Associate	\$150