



Evergreen Solutions, LLC

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January 1, 2023

Ms. Bernie Wharran, SHRM-CP
Human Resources/Risk Manager
City of New Port Richey
5919 Main Street
New Port Richey, FL 34652

SUBMITTED VIA EMAIL: WharranB@cityofnewportrichey.org

Dear Ms. Wharran:

We appreciate the opportunity to submit a letter proposal to conduct a Classification and Compensation Study for the City of New Port Richey. I have prepared a work plan outlining the tasks, activities, and milestones necessary to accomplish this study as well as a proposed timeline and cost. **Note:** Evergreen understands the City has approximately 197 full- and 38 part-time employees in 133 classifications.

Detailed Work Plan

Task 1.0 Project Initiation

TASK GOALS

- Finalize the project plan with the City of New Port Richey (City).
- Gather all pertinent data.
- Finalize any remaining contractual negotiations.
- Establish an agreeable final time line for all project milestones and deliverables.

TASK ACTIVITIES

- 1.1 Meet with the City's Project Team (CPT) to discuss the following objectives:
- understand the City's mission and current compensation philosophy (if any);
 - review our proposed methodology, approach, and project work plan to identify any necessary revisions;
 - reach agreement on a schedule for the project including all assignments and project milestones/deliverables;
 - establish an agreeable communication schedule.

**Task 2.0
Evaluate the Current
System**

1.2 Identify potential challenges and opportunities for the study. Discuss the strategic direction of the City and some of the short and long-term priorities. This activity serves as the basis for assessing where the City is going and what type of pay plan will reinforce current and future goals.

1.3 Obtain relevant materials from the City, including:

- any previous projects, research, evaluations, or other studies that may be relevant to this project;
- organizational charts for the departments and divisions, along with related responsibility descriptions;
- current position and classification descriptions, salary schedule(s), and classification system; and
- personnel policies and procedures.

1.4 Review and edit the project work plan and submit a schedule for the completion of each project task.

KEY PROJECT MILESTONES

- Comprehensive project management plan
- Comprehensive database of City employees

TASK GOAL

- Conduct a comprehensive preliminary evaluation of the City's existing compensation plan.

TASK ACTIVITIES

2.1 Obtain the existing pay structure and compensation philosophy. Review the existing pay structure and look for potential problems to be resolved.

2.2 Determine the strengths and weaknesses of the current pay plan(s).

2.3 Discuss any existing compression issues and possible resolutions.

2.4 Complete an assessment of current conditions that details the pros and cons of the current system as well as highlights areas for potential improvement in the final adopted solution.

KEY PROJECT MILESTONES

- Review of existing compensation plan(s)
- Assessment of current conditions



**Task 3.0
Collect and Review
Current Environment
Data**

TASK GOALS

- Conduct statistical and anecdotal research into the current environment within the City.
- Guide subsequent analytical tasks.

TASK ACTIVITIES

- 3.1 Schedule and conduct employee orientation sessions.
- 3.2 Meet with department heads to obtain relevant information and statistical/anecdotal data on specific compensation issues and policies. Obtain insight into perceived current compensation system strengths and weaknesses.
- 3.3 Hold focus groups with a sample of employees to obtain additional relevant information and statistical/anecdotal data on specific compensation issues and policies.
- 3.4 Work with the CPT to administer the Job Assessment Tool (JAT) and the Management Issues Tool (MIT). Our staff utilizes a web-based tool for data collection, but we can provide paper copies as well as those for classifications without computers or Internet access. We will seek approval from the CPT before distribution of the JAT/MIT questionnaire.
- 3.5 Review any data provided by the City that may provide additional relevant insight.

KEY PROJECT MILESTONES

- JAT and MIT distribution
- Department head interviews
- Employee orientation sessions and focus groups

**Task 4.0
Evaluate and Build
Projected
Classification Plan**

TASK GOALS

- Identify the classification of existing positions utilizing Evergreen Solutions' job evaluation system.
- Review JAT responses.
- Characterize internal equity relationships within the City.

TASK ACTIVITIES

- 4.1 Ensure that all draft class specifications are provided by the CPT.



- 4.2 Review the work performed by each classification and score. Review includes evaluation of supervisory comments.
- 4.3 Review JAT scores and identify the classification of positions.
- 4.4 Schedule and conduct additional follow up with employees for jobs where uncertainty exists over data obtained from the JATs.
- 4.5 Develop preliminary recommendations for the classification structure. The classification system designed at this point would be based solely on internal equity relationships and would be guided by the JAT scores for each classification. Essentially, a structure of classifications would be established, and classifications with similar scoring would be grouped into pay grades. Spacing between jobs would be determined, and each classification would be assigned to a pay grade. Final decision on the minimums and maximums of the pay grades would be determined after the market data has been collected.
- 4.6 Review recommendations with the CPT.

KEY PROJECT MILESTONES

- JAT scores by class
- Recommended classification changes
- Preliminary job structure based on internal equity

TASK GOALS

- Identify positions to benchmark for the market salary survey.
- Identify and develop a comprehensive list of targets for conducting a successful external labor market salary assessment.

TASK ACTIVITIES

- 5.1 Identify and review with the CPT the classifications that will be used as benchmarks for the market salary survey. **Note:** Evergreen will work with the CPT to select up to 80 classifications to use as benchmarks for the market salary survey.
- 5.2 Finalize the list of benchmark positions.
- 5.3 Review with the CPT up to 20 peer organizations that should be included in the market salary survey.
- 5.4 Develop a preliminary list of organizations for the external labor market survey, placing a comparative emphasis on characteristics such as:

**Task 5.0
Identify List of
Market Survey
Benchmarks and
Approved List of
Targets**



**Task 6.0
Conduct Market
Salary Survey and
Provide External
Assessment
Summary**

- size of the organization;
- form of government;
- economic and budget characteristics;
- size of City; and
- other demographic data.

- 5.5 Develop a list of survey targets by employee group. Develop a system for use of secondary data, including potential sources and weighting of secondary data, if necessary.
- 5.6 Review survey methodology with the CPT and refine survey methodology prior to distribution of survey.
- 5.7 After approval of survey methodology, develop contact list of peer organizations and notify peers of impending survey.

KEY PROJECT MILESTONES

- Initial list of survey peers
- Survey methodology
- Final list of survey organizations and contacts

TASK GOALS

- Conduct the external labor market salary survey.
- Provide a summary of the survey results to the CPT for review.

TASK ACTIVITIES

- 6.1 Prepare a customized external labor market salary survey for the CPT's approval. Discuss the questions to include in the survey with the CPT.
- 6.2 Contact the targets for electronic completion of the survey. Provide paper copies by fax, if requested.
- 6.3 Conduct necessary follow-up through e-mails, faxes, and phone calls.
- 6.4 Collect and enter survey results into Evergreen Solutions' electronic data analysis tools.
- 6.5 Validate all data submitted.
- 6.6 Develop summary report of external labor market salary assessment results.



**Task 7.0
Develop Strategic
Positioning
Recommendations**

- 6.7 Submit summary report of external labor market salary assessment results to the CPT.

KEY PROJECT MILESTONES

- Market survey instrument
- Summary report of external labor market salary assessment results

TASK GOALS

- Assess the appropriateness of the City's current compensation philosophy.
- Develop a plan for all employees, providing issue areas and preliminary recommendations for strategic improvement.

TASK ACTIVITIES

- 7.1 Identify the compensation philosophy and accompanying thresholds.
- 7.2 Using the market salary data collected in **Task 6.0**, as well as the classification data reviewed in **Task 4.0**, determine the proper pay plan for the City including number of grades, steps, and ranges.
- 7.3 Identify highly competitive positions within the City and customize recommendations for compensation where required.
- 7.4 Produce a pay plan for the City that best meets its needs from an internal equity and external equity standpoint.

KEY PROJECT MILESTONES

- Proposed compensation strategic direction, taking into account internal and external equity
- Plan for addressing unique, highly competitive positions

**Task 8.0
Conduct Solution
Analysis**

TASK GOALS

- Conduct analysis comparing JAT values.
- Survey results for the benchmark positions.
- Produce several possible solutions for implementation.



**Task 9.0
Develop and Submit
Draft and Final
Reports**

TASK ACTIVITIES

- 8.1 Conduct regression analysis or other appropriate techniques to properly slot each classification into the proposed pay plan.
- 8.2 Place all classifications into pay grades based on **Task Activity 8.1**. Sort alphabetically by job class title, in descending order by range, and by old class title and new class specifications.
- 8.3 Create implementation solutions for consideration that take into account the current position of the organization as well as the findings from the classification and compensation analysis. Identify and prepare a range of compensation policy alternatives.
- 8.4 Meet with the CPT to discuss the potential solutions.
- 8.5 Determine the best solution to meet the City's needs in the short-term and long-term.
- 8.6 Document the accepted solution.

KEY PROJECT MILESTONES

- Initial regression analysis
- Potential solutions
- Documented final solution

TASK GOALS

- Develop and submit a draft and final reports of the Classification and Compensation Study for the City of New Port Richey.
- Present final report.

TASK ACTIVITIES

- 9.1 Produce a comprehensive draft report that captures the results of each previous step. The report will include any detailed costs associated with all recommendations as well as implementation strategies.
- 9.2 Submit the comprehensive draft report to the CPT for review and approval.
- 9.3 Make edits and submit necessary copies of the final report to the CPT.
- 9.4 Present the final report.



**Task 10.0
Develop
Recommendations
for Compensation
Administration**

9.5 Develop implementation database to communicate the process and progress of this project to the CPT.

9.6 Develop a plan for maintaining recommendations over time.

KEY PROJECT MILESTONES

- Draft and final reports
- Final presentation
- Communication plan
- Implementation and maintenance database

TASK GOALS

- Develop recommendations for the continued administration by the City's staff to sustain the recommended compensation and classification structure.
- Provide training.

TASK ACTIVITIES

10.1 Develop recommendations and guidelines for the continued administration and maintenance of the classification and compensation structure, including recommendations and guidelines related to:

- how employees will move through the pay structure/system as a result of transfers, promotions, or demotions;
- how to pay employees whose base pay has reached the maximum of their pay range or value of their position;
- the proper mix of pay and benefits;
- how often to adjust pay scales and survey the market;
- the timing of implementation; and
- how to keep the system fair and competitive over time.

10.2 Recommend recruitment/retention strategies, where appropriate.

10.3 Present recommendations to the CPT for review.

10.4 Finalize recommendations.



**Task 11.0
Provide Revised
Class Descriptions
and FLSA
Determinations**

- 10.5 Provide instructional information/training to Human Resources staff to ensure that staff can conduct audits/adjustments consistent with study methods until the next formal study is conducted using Evergreen's **JobForce Manager** tool that will enable Human Resources staff to estimate future pay plan changes, update market information, make determinations on reclassifications, and create new jobs – allowing for streamlining, and an increase in fairness and transparency of regular compensation and classification tasks after solution implementation.

KEY PROJECT MILESTONES

- Recommendations for compensation administration
- Recommendations for recruitment/retention policies

TASK GOALS

- Update existing class descriptions.
- Create new class descriptions as needed, ensuring FLSA, EEO/ADA requirement satisfaction.
- Provide final version of all class descriptions/specifications in electronic format (i.e., MS Word) after approval by the CPT.

TASK ACTIVITIES

- 11.1 Assess current class descriptions for form, content, validity, and ADA compliance.
- 11.2 Discuss any necessary changes to the class description format with the CPT.
- 11.3 Update classification descriptions based on data gathered from the JAT process and discuss with the CPT.
- 11.4 Create any new class descriptions based on the proposed classification structure by leveraging data from the JAT process, as needed. Provide complete listing of the allocation of job classes to salary range assignments.
- 11.5 Make FLSA determinations based on work performed and federal requirements.

KEY PROJECT MILESTONES

- Updated class descriptions
- New class descriptions as needed



Cost and Timeline

Our total, not-to-exceed, fixed cost to complete all tasks in our detailed work plan is **\$40,500**. Our cost is all inclusive, and includes travel costs (meals and lodging), transportation, fringe benefits, indirect cost (overhead), clerical support, and all other out-of-pocket expenses. Our cost includes two onsite visits, if needed, to the City to perform the requested work as most of the work can be performed virtually. Evergreen can conduct the Classification and Compensation Study in approximately 4.5 months from the execution of a contract.

Our preferred method of invoicing is as follows:

- 25% - upon completion of Tasks 1 - 2
- 25% - upon completion of Tasks 3 - 4
- 25% - upon completion of Tasks 5 - 6
- 25% - upon completion of Tasks 7 - 11

We would love the opportunity to work with the City of New Port Richey. If you have any questions or need any additional information, please feel free to contact me at (850) 383-0111 or via email at jeff@consultevergreen.com.

Sincerely,



Dr. Jeffrey Ling, President
Evergreen Solutions, LLC

