

ADDENDUM No. 1

RFP No. 987

Non-Union Compensation Study

Due: November 15, 2016 at 2:00 P.M. (local time)

The following adjustments shall be made to the Request for Proposal for Non-Union Compensation Study RFP No. 987 on which proposals will be received on/or before November 15, 2016 by 2:00 P.M.

The information contained herein shall take precedence over the original documents and all previous addenda (if any), and is appended thereto. **This Addendum includes 4 page(s).**

Offeror is to acknowledge receipt of this Addendum No. 1, including all attachments in its Proposal by so indicating in the proposal that the addendum has been received. Proposals submitted without acknowledgement of receipt of this addendum will be considered nonconforming.

The following forms provided within the RFP Document must be included in submitted proposal:

- City of Ann Arbor Non-Discrimination Ordinance Declaration of Compliance
- City of Ann Arbor Living Wage Ordinance Declaration of Compliance
- Vendor Conflict of Interest Disclosure Form

Proposals that fail to provide these completed forms listed above upon proposal opening will be deemed non-responsive and will not be considered for award.

I. QUESTIONS AND ANSWERS

Question #1: How many employees fall within the 130 job descriptions to be included in the study?

Answer #1: We currently have 135 positions to be included in the compensation study. We currently have 207 non-union employees.

Question #2: Within the “Past Involvement” section, it says to submit a “complete list” of past clients. Our firm has completed literally hundreds of projects in our more than 20 years of experience providing compensation services. Is it permissible to provide only a representative sample of clients/references for this submission?

Answer #2: Yes, this is acceptable. The representative sample should include organizations that are similar in size to the City of Ann Arbor and had a compensation study conducted within the last 5 years.

- Question #3:** What is the City's desired schedule for completion of this project?
Answer #3: We do not have a set desired schedule. It will depend on the consultant's recommended schedule.
- Question #4:** Under "Fee Proposal" the City asks for the consultant to "justify" details of the fees at a detailed level. Much of this could be based on information such as our consulting staff's salaries that would not be made publicly available. Is it permissible to provide only lump sum costing, or will the City require the detailed information such as overhead, personnel costs, etc. from the successful bidder?
Answer #4: A lump sum will suffice for the Fee Proposal but further details (hourly rate, number of hours proposed, etc.) around the lump sum fee proposed would be preferred.
- Question #5:** Can you share the City's approved budget for this project?
Answer #5: We do not have an approved budget at this time.
- Question #6:** While we recognize that the City of Ann Arbor will not be entertaining changes to the Professional Services Agreement, does this also include additions to the Agreement? Is it possible to propose additions to the Agreement for negotiation?
Answer #6: Offerors are free to propose additions to the agreement for consideration.
- Question #7:** Can you give me a sense of how soon this project needs to start?
Answer #7: We plan to kick off this project no later than March 2017.
- Question #8:** Does the City of Ann Arbor have an established compensation strategy or philosophy?
Answer #8: Yes. We do have a written compensation philosophy that was last updated in 2005 and is in need of revision.
- Question #9:** If not, is the formal development of a compensation philosophy desired for this project?
Answer #9: Yes. A formal revision of the compensation philosophy is desired for this project.
- Question #10:** Is there a defined "target market" that the City of Ann Arbor uses to set their pay levels to?
Answer #10: When we created our salary ranges, we targeted the 65th percentile for the midpoint.

Question #11: Will the City of Ann Arbor provide a list of “peer” organizations that the City of Ann Arbor would want the consultant to survey for salary practices?

Answer #11: Yes, including in state and out of state entities.

Question #12: Does the City of Ann Arbor participate in any local or industry salary surveys?

Answer #12: Yes. We participate in salary surveys administered by other municipalities and local organizations. We also participate in annual salary surveys from Salary.com and World at Work.

Question #13: How many pay levels does the current structure have?

Answer #13: 19 pay levels. We also have a level 0, which includes the City Administrator and City Attorney positions and their pay is determined by City Council.

Question #14: What method was utilized to assign positions to the pay levels, i.e. market based, job evaluation, other, etc.?

Answer #14: Market based for external value of the job and internal job worth comparison.

Question #15: Does the City currently maintain a separate salary structure for Information Technology positions?

Answer #15: No, they are part of the non-union salaried compensation structure.

Question #16: Will the Leadership team positions be included in the study?

Answer #16: Yes, they are part of the non-union salaried compensation structure.

Question #17: Do the current job grouping need to be re-evaluated?

Answer #17: Yes.

Question #18: What market sources were utilized in past study?

Answer #18: Wyatt’s extensive database was used around 2003-2004.

Question #19: Was a custom market survey performed in the past?

Answer #19: No.

Question #20: Will a custom salary survey need to be performed in this update?

Answer #20: We do not anticipate the need for a custom salary survey.

Question #21: To what extent does the City desire to have employees involved in the process (i.e. completing Job Analysis Questionnaires, etc.)

Answer #21: We are open to consultant recommendations but may want to include the employees in completing Job Analysis Questionnaires.

Question #22: Will an assessment of the FLSA Exemption status be needed to be reviewed?

Answer #22: No, we conducted a review of our current non-union positions with our legal department and are confident with the current classifications of our non-union positions.

Question #23: Would City of Ann Arbor be agreeable to utilizing an internal compensation committee to review jobs?

Answer #23: We are open to considering the utilization of an internal compensation committee to review jobs. If determined to utilize this committee, committee members would be determined by the Director of Human Resources and Labor Relations.

Question #24: Will City of Ann Arbor want employee communications, both before and after the study?

Answer #24: Yes, both before and after the study.

Question #25: Are you experiencing difficulties in hiring and/or retaining staff? If so, what groups?

Answer #25: Yes, we have experienced some difficulties in hiring for finance positions, information technology positions and our more specialized positions.

Question #26: Does the City of Ann Arbor participate in any salary surveys that represent comparator organizations, either public or private?

Answer #26: Yes, salary survey requests from other municipalities, surveys administered by the World at Work, Salary.com and other various organizations.

Question #27: How are jobs currently evaluated? a. Using an internally based job evaluation or classification system? b. Using market data? c. A combination of both?

Answer #27: Combination of both. We evaluate our positions both internally and also with market data.

Respondents are responsible for any conclusions that they may draw from the information contained in the Addendum.