

PROFESSIONAL SERVICES AGREEMENT

This Agreement is entered into by **City of Clearwater (City)** and **Public Sector Personnel Consultants, Inc. (PSPC)**, 1215 West Rio Salado Parkway Suite 109, Tempe, Arizona 85281 (National Office).

This Agreement is for PSPC to conduct a compensation study in partnership with the City. Tasks PSPC will perform are shown as Exhibit A.

SECTION 1. CONTRACT TIME ESTIMATE

The City and PSPC will partner to complete the study by March 1, 2019. This agreement may remain in effect until one (1) year from acceptance of final project from the City.

SECTION 2. CONTRACT COST

At no time shall the total contract exceed \$150,000 with an additional discretionary of up to \$20,000 for the Point Factor Assessments.

A. Major Project Components

• Kick off Meetings, Employee Briefings, Position Classification and Job Titling	\$20,000
• Job Information Interviews/On-Site Desk Audits/Job Descriptions	
• (300 included for illustration)	\$30,000
• Salary and Benefits Compensation Survey (target 300+ job titles)	\$70,000
• From Surveys, Compensation Plan, Draft Reviews, Final Presentations	<u>\$10,000</u>
	Subtotal, Core Services
	\$130,000

B. Additional Options

Updated ADA/EEO-Compliant Job Descriptions/Job Audits (\$100 each, as-needed)	\$12,000
Point Factor Assessment	\$ 8,000

The City may, from time to time, require changes in the scope of the project of PSPC to be performed hereunder. Such changes, including any increase or decrease in the amount of PSPC's compensation and changes in the terms of this Contract which are mutually agreed upon by and between City and PSPC shall be effective when incorporated in written amendment to this Contract.

SECTION 3. CONTRACT BILLING AND PAYMENT

PSPC's invoices shall be submitted to the City for approval for payment on a monthly basis. The City agrees to pay after approval under the terms of the Florida Prompt Payment Act F.S. 218.70.

The City's performance and obligation to pay under this Contract is contingent upon an annual appropriation of the City's budget.

SECTION 4. SEVERABILITY

That should any word, sentence, paragraph, subdivision, clause, phrase or section of this Agreement, be adjudged or held to be void or unconstitutional, the same shall not affect the validity of the remaining portions of said agreement, which shall remain in full force and effect.

SECTION 5. VENUE

The laws of the State of Florida shall govern the interpretation, validity, performance and enforcement of this Agreement. The parties agree that this Agreement is performable in Pinellas County, and that exclusive venue shall lie in Pinellas County.

SECTION 6. TERMINATION

The City at its sole discretion may terminate this Contract by giving PSPC a thirty (30) day written notice of its election to do so and by specifying the effective date of such termination. PSPC shall be paid for its services through the effective date of such termination. Further, if PSPC shall fail to fulfill any of its obligations hereunder, this Contract shall be in default, the City may terminate the Contract, and PSPC shall be paid only for work completed.

SECTION 7. NOTICES

Any notices under this Agreement will be effective if transmitted to a Party by confirmed telecopy or via US Postal Service to the address of the Party indicated below:

CITY OF CLEARWATER

Christine Schlerf, Human Resources Manager
PO Box 4748
Clearwater, Florida 33758

PSPC

Matthew Weatherly, President
1215 W. Rio Salado Parkway #109
Tempe, Arizona 85281

NO THIRD-PARTY BENEFICIARIES

Nothing in this Agreement, express or implied, is intended to confer any rights, benefits, or remedies under or by reason of this agreement upon person or entity, other than the City and PSPC.

SECTION 8. INDEMNIFICATION AND INSURANCE.

PSPC agrees to comply with all terms, provisions, and requirements contained in the RFP#12-18 attached hereto and made a part hereof as if said document were fully set forth at length herein.

SECTION 9. PROPRIETARY MATERIALS.

Upon termination of this Contract, PSPC shall transfer, assign and make available to City or its representatives all property and materials in PSPC's possession belonging to or paid for by the City.

SECTION 10. INTERESTS OF PARTIES.

PSPC covenants that its officers, employees and shareholders have no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance and/or provision of services required under the terms and conditions of this Contract.

SECTION 11. CONFORMANCE WITH LAWS.

PSPC agrees to comply with all applicable federal, state and local laws during the life of this Contract.

SECTION 12. ATTORNEY FEES.

In the event that either party seeks to enforce this Contract through attorneys at law, then the parties agree that each party shall bear its own attorney fees and costs.

SECTION 13. GOVERNING LAW AND VENUE.

The laws of the State of Florida shall govern this Contract, and any action brought by either party shall lie in Pinellas County, Florida.

SECTION 14. CONDITIONS AND ASSURANCES.

- A. Access to Records: PSPC that the City or any of its duly authorized representatives shall have access to any books, documents, papers, and records of the PSPC for the purposes of making audit, examination, excerpt, and transcripts.
- B. Retention of Records: PSPC will be required to comply with Section 119.0701, Florida Statutes, specifically to:
 - a. Keep and maintain public records required by the City of Clearwater to perform the service;
 - b. Upon request from the City's Custodian of Records, provide the City of Clearwater with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119 or as otherwise provided by law;
 - c. Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the contract term and following completion of the contract if PSPC does not transfer to the City of Clearwater; and
 - d. Upon completion of the contract, transfer, at no cost, to the City of Clearwater all public records in possession of the contractor or keep and maintain public records required by the City of Clearwater to perform the service. If the PSPC transfers all public records to the City of Clearwater upon completion of the contract, PSPC shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements.

If the PSPC keeps and maintains public records upon completion of the contract, the Consultant shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the City of Clearwater, upon request from the City of Clearwater's Custodian of Public Records, in a format that is compatible with the information technology systems of the City of Clearwater.

IF THE PSPC HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE CONSULTANT'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS, ROSEMARIE CALL AT 727-562-4090, rosemarie.call@myclearwater.com, and/or 112 S. Osceola Ave., Clearwater, FL, 33756.

IN WITNESS WHEREOF, the parties hereto have executed this Contract as of the date set forth above.

CITY OF CLEARWATER, FLORIDA

Countersigned:

George N. Cretekos
Mayor

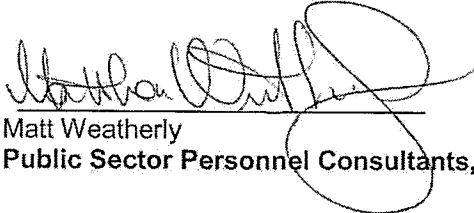
By: _____
William B. Horne II
City Manager

Approved as to form:

Attest:

(Name)
Assistant City Attorney

Rosemarie Call
City Clerk



Matt Weatherly
Public Sector Personnel Consultants, Inc. (PSPC)

“EXHIBIT A”

SUMMARY OF SERVICES FOR THE CITY OF CLEARWATER

PUBLIC SECTOR PERSONNEL CONSULTANTS (PSPC) will provide the following program of consulting services and implementation support to conduct a classification and compensation study.

Project Planning and Communication

1. Project planning and scheduling meeting with the City's Human Resources Staff and project designee(s)
2. Policy input and project direction meeting and briefing with Council, Human Resources and designee(s)
3. Project briefing presentation for all employees, Council, City officials, City's project leaders
4. Management and employee communication, progress reports throughout all project phases

Classification Project Tasks

5. Occupational familiarization by review of City's current job descriptions and compensation plans
6. Organizational familiarization by review of City organization charts, budgets, and annual reports
7. Position Analysis Questionnaire (PAQ) customized for gathering City employee occupation data
8. Meetings to distribute and explain the PAQ and the project for all City officials and employees
9. Worksite job desk audits / field observations with representatives of each class (*flexible, City discretion*)
10. Determination of job classification and FLSA Exempt / Non-Exempt designation for each position
11. Recommended title modifications and reclassifications for consideration by department heads
12. Review of position classification recommendations with City's project staff and respective departments
13. Preparation of updated job descriptions for each City job classification (*flexible, City discretion*)

Custom and Comprehensive Market Compensation Surveys

14. Identification of City's competitive employment areas for compensation surveys, for City approval
15. Identification of City occupations to utilize as survey benchmark job classifications – estimated 300+
16. Solicitation of comparator employers and agencies for participation in external compensation surveys
17. Extraction of data from public employer compensation plans, questionnaires, reliable published surveys
18. Consolidation of data from all sources and calculation of prevailing rates for benchmark jobs
19. Collection of benefits and add pay details from comparator cities, for comparison to current practices
20. Computation of extent City's compensation offerings vary from external prevailing rates and practices
21. Review of competitiveness analysis with Human Resources, City Officials and City's project designees

Compensation Plan Development

22. Construction of optional salary range structures for review and selection by City's project leaders
23. Assignment of job classes to salary ranges by internal equity and external competitiveness
24. Assistance with City Council identification of desired, affordable salary competitiveness policy
25. Fiscal impact estimates at various levels of external prevailing rates competitiveness policies
26. Review and critique of draft salary and implementation plans with Human Resources, project leaders

Communication of Results and Implementation Strategies

27. Preparation and presentation of final project reports for the City Council, staff, and City Officials
28. Development of a plan for the implementation of City's updated classification and compensation plan
29. Uploading of **EZ COMP™** program files on a Human Resources Department computer, staff training
30. Development and provision of process for ongoing plan maintenance and subsequent plan updates
31. Assistance with communicating the City's updated plans for all City officials and employees
32. One year classification and compensation plan maintenance assistance **at no cost to the City**

PROJECT APPROACH AND METHODOLOGY

Following is our overall work plan and approach to achieving the City's objectives for the conduct of a classification and compensation study.

A. OBJECTIVES OF THE PROJECT

The recommended plans, programs, systems and administrative procedures will meet these ten most important criteria.

- Internally equitable
- Externally competitive
- Readily understood
- Easily updated & maintained
- Legally compliant & defensible
- Financially responsible
- Efficiently administered
- Inclusive of employee input
- Reflective of City's values
- Reflective of prevailing "best practices"

B. SCOPE OF THE PROJECT

The project will include: a management and employee communication plan; partnership with the City's Human Resources staff, City Manager, Council, and project designee(s); occupational, organizational, and operational familiarization; Position Analysis Questionnaire (PAQ) and job analysis for all classifications; worksite job information interviews; position classification and job title recommendations for all employees and classifications; FLSA designations; 100 updated job descriptions; **EZ COMP™**; internal equity and external competitiveness evaluation; salary and benefits compensation survey and competitiveness analysis; salary range recommendations; fiscal impact estimates and multiple implementation scenarios; updated classification and compensation plan and one year of classification and compensation plan implementation support for all included employees in all job classifications.

C. PROJECT METHODOLOGY

1. Quality Assurance

To ensure a high-quality project, we have built in several layers of procedural and statistical controls, in addition to those already in **EZ COMP™**. Internally, we follow a prescribed series of steps in each project phase, which are reviewed by our Project Director. We request that the Human Resources and City's Project Manager(s) review our work to minimize the chance of errors and to ensure that it reflects the City's organizational values.

2. Project Planning Meetings and Communication Plan Development

We will consult with the Human Resources Director and City Officials or representatives on a communication strategy, plan, and materials, beginning prior to the project and extending to the post-project information meetings. We plan to conduct group pre-project meetings for all City officials and employees where we will discuss the project's scope, answer questions, and distribute and explain the Position Analysis Questionnaire.

D. POSITION CLASSIFICATION ANALYSIS

1. Review of Essential Tasks – Position Analysis Questionnaire

We will review and analyze the current essential tasks, duties and responsibilities, and minimum qualifications of each included position through the Position Analysis Questionnaire (PAQ) to be completed by each employee (or group of employees with identical jobs) in print or electronic format. If the information on the PAQ does not clearly delineate the position's scope of responsibilities, we may return the PAQ to the position's incumbent for additional information or focus on the data gap during a worksite job information interview.

2. Employee Worksite Job Information Interviews (300 included in base price; flexible)

We can conduct a worksite job information interview with a representative incumbent of every job classification. The purpose of these interviews is to verify the data on the PAQ, obtain additional insight into the scope and complexity of the job duties, observe technical processes and working conditions, and to provide employees with an additional method of participation in the project. This process also ensures that we make all internal and external comparisons on the basis of **actual job content** and not merely job title.

3. FLSA Status Determination

We will review the essential tasks and minimum qualifications of each of the City's job classifications and subject them to the Fair Labor Standards Act tests to determine their exempt or non-exempt status.

4. Position Classification

Each of the City's positions will be analyzed and evaluated to determine their primary characteristics, including:

- Is there a current City occupational job group comprised of job classes with essential functions similar to the subject position; if so:
- To which of the group's job classes, and at what level, are the subject position's essential functions similar to the subject position, and if so:
- Are they sufficiently comparable (+/- 20% guideline) to be allocated to that job class, utilize the same job title, require the same minimum qualifications, and be assigned to the same salary range.
- If the City does not currently have a sufficiently comparable job class, what should be the subject position's occupational job class and title, and:
- What should the recommended occupational classification action be, No Change (N), Title Change (T), Merge With Other Job Class (M), New Job Class (J).
- We may find that a job class is overly broad and encompasses several job activities which are regarded with significant salary difference in the marketplace. In such an instance, we will recommend "splitting" the job class into the current job class and a new job class which encompasses the different job activities.

5. **Updated Job Descriptions (as-needed; can be included or budgeted as-needed)**

We can prepare an updated ADA/EEO-compliant job description in the City's standard or other selected format for each occupational job class. Focus will be on the Essential Functions and Minimum Qualifications. The specifications or descriptions may include (not limited to) the following components:

Job Title – Definition	Education, Training and Experience	Physical Requirements
Distinguishing Characteristics	Licenses and Certifications	Non-Essential Functions
Essential Functions	FLSA Exempt/Non-Exempt Status	Mental Requirements
Desired Knowledge and Skills	Supervision Exercise/Received	Working Conditions

6. **Draft Classification Plan Review with Human Resources and Department Heads**

We will conduct a review of our initial position classification recommendations and draft job descriptions with the City's Project Team and respective department heads to identify possible errors, obtain feedback, and solicit suggestions for clarification.

7. **Resolution of Employees' Classification Reviews**

We will provide the City with a process for employees to review our initial occupational job classification of their position and provide a form for them to complete if they feel that an error has been made or to provide significant additional job content information.

Depending on the action recommended by the respective department heads we may conduct a second job analysis and will inform the project designee(s) of our final recommendation.

8. **Various Approaches to Ensure Internal Equity**

For precision in job class analyses, and subsequent salary range determinations, we will utilize one of several job evaluation systems widely in use, including the Hay Method, Decision Band Method (DBM), and the **Factor Evaluation System (FES)**. **FES** is the most extensively validated and commonly utilized quantitative job evaluation system for public sector occupations, consisting of the following flexible compensable factors.

Knowledge Required	Personal Contacts	Complexity
Supervisory Controls	Scope and Effect	Work Environment
Guidelines Provided	Supervision Exercised	Physical Demands

The job class hierarchy based on job points will reflect the City's relative internal job worth values. The City's annual salary competitiveness policy will be translated into a mathematical formula which, when combined with the job points of each City job class, will determine the proper salary range for each job class and position. This balances internal equity (job points relationships) with external competitiveness (market relationship formula).

a. **Optional Approach A – FES System** – We will train a task force of representative City employees in the adaptation of the **FES** point-factor job content evaluation system to the City's job worth values, guide them in the evaluation of a structured benchmark of job classes, conduct QC reviews, and evaluate the remaining job classes within the relative job worth structure established by the task force. We can provide the City with manual or automated versions of this system.

b. **Optional Approach B – Custom Designed System for the City** – We will train and guide a task force of representative City employees in the design of a point-factor system of job content evaluation total reflecting the City's relative job worth values, and proceed as in Approach A. We can provide the City with an automated version of the system once it has been developed with the task force.

E. SURVEYS AND COMPENSATION ANALYSIS

1. City Involvement in Compensation Plan Development

We will obtain policy direction from the City Council, Human Resources staff, and/or City Officials on the following key components of the salary plan development process:

- Comparator Employer Selection
- Benchmark Job Class Selection
- Compensation Competitiveness Policy
- Salary Structure Selection
- Job Evaluation Method-Salary Plan Linkage
- Draft Compensation Plan Review / Critique
- Total Compensation Points for Analysis
- Project Implementation Plan

2. Comprehensive Compensation Survey

We do not subscribe to or recommend the use of databases or data warehouses used or hosted by other firms!
We will collect the complete pay plans from each of the City's comparators and build a custom survey database to ensure accuracy and completeness, unique to the City's job classifications.

- a. *Data Collection Protocol*** will be developed in consultation with the City's project leaders to determine which salary data elements to include, such as:

Base Salary Information

- Salary grade/step or open range salary plan structure
- Salary range structure Minimum, Midpoint, and Maximum
- Method of salary administration – longevity, performance, or skill

Additional Compensation Information (to be finalized and approved with City)

- City-supported benefits such as health insurance, pension contributions
- Supplemental pay items for special qualifications/certifications
- Individual or group incentive plans, bonus, awards, stipends
- Any additional add-pay or benefits items at City's direction

- b. *Benchmark Job Selection*** will be made by identifying City job classes common to its employment-competitive public and private employers in the immediate area and throughout the region or State, clearly identifiable, and representative of standard occupational job groups.

- c. *Comparator Employers Identification*** will be made in consultation with the City's Project Manager(s) or City Council. Criteria include their degree of competition to the City in obtaining and retaining high quality staff, their location in the City's traditional recruitment areas, and their organizational size and complexity.

- d. *Compensation Data Collection*** will be made by one or more of the following methods.

- Pre-survey contact with the selected comparator employers to solicit participation in the City's compensation survey(s)
- Extraction from the pay plans of designated public employers.
- Customized salary and additional (optional) total compensation and benefits survey requests for local governments and other public and private employers, distributed by mail, fax, and e-mail.
- As desired, additional data extraction from established salary surveys and commercial survey sources such as Watson Wyatt, ERI, AWWA, etc.

- e. *Data Quality Control*** includes editing data for accuracy and proper matching to the City's survey benchmark jobs, and phone/fax/E-mail follow-ups for data clarification and to obtain comparators' benchmark job descriptions.

3. Prevailing Rates Calculation

We will consolidate the compensation data from all sources, enter the information into the **EZ COMP™** program, and compute the prevailing rates, inclusive of cost of living differentials, as the statistical mean of the survey data for each benchmark job class. Data will be projected forward from the date of collection to a common date relating to the City's salary plan year by the annual Prevailing Rate Increase Factor (PRI) applicable at that time.

4. Compensation Competitiveness Comparison

We will provide the City with charts comparing its current salary structures to those of the selected public and private comparator employers. We will calculate the extent that the City's offerings vary from the prevailing rates and practices of other relevant employers.

5. Compensation Competitiveness Policy

We will assist the City to select a compensation competitiveness policy which best fits its compensation strategy and financial resources, by providing fiscal impact estimates at various percentage relationships to the prevailing rates.

6. Salary Plan Structure Development

We will review the City's current employee agreements and wage plans and **1)** utilize the City's current wage plan structures to identify internally equitable and externally competitive salary ranges for each City job class or **2)** prepare alternative salary range structures and schedules for the City to select the best fit for its competitiveness strategy, with these optional criteria:

- Method of administration, i.e.: measured job performance, longevity, or skill
- Width of the salary ranges, grades, or broad bands, from Minimum to Maximum
- Varying salary range widths for FLSA non-exempt or exempt positions
- Open salary ranges for pay-for-performance or variable compensation plan
- If steps within the salary ranges, number of steps, percentage separation
- Number of salary ranges, grades, or broad bands in the salary schedule
- Percentage of separation between salary ranges, grades or broad bands
- Recognition for longevity, unique assignments, and special skill requirements
- Remuneration for required special licenses, certifications and registrations
- Linkage of performance evaluations to performance increase opportunities

7. Salary Range Assignment Development

We will assign each job classification to a salary range in the City's current or selected new salary structure on the basis of a combination of factors, including:

- the prevailing rates for the benchmark job classes
- its current relationship to similar or occupationally related job classes
- the 15% guideline for salary range separation between sequential job classes
- the 25% guideline for salary separation of a department head job class
- its quantitative evaluated internal job worth value (job evaluation points)

8. Implementation Plan Development

We will consult with the Human Resources and Project Team on a plan for transition to the recommended plan, including a timetable for the principal activities, employee communication, impact on bargaining processes, and estimates of required financial resources.

F. ENSURING THE CITY'S SELF-SUFFICIENCY

The City will be self-sufficient in all aspects of maintenance of the updated position classification and compensation plan through these services.

1. Procedure Manuals

- *PSPC Position Classification Procedure Guide*
- *PSPC Salary Administration Procedure Guide*
- *City of Clearwater EZ COMP™ Procedure Guide*

2. **Training Workshop** – for City staff in position classification, job evaluation, compensation surveys, and compensation plan design and administration.
3. **Electronic Job Description Library** – we can provide the City with all updated job descriptions in hard copy and electronic library format for internal maintenance.
4. **EZ COMP™** – program and project files on one of the City's computers, a custom user's manual, and system training for key City and Human Resources staff.
5. **Initial Year's Implementation Warranty Support** – we will analyze, evaluate, classify, and provide a salary range recommendation for any new or changed position or entire job classification, **at no cost to the City** for one year.

G. EXTENSIVE EMPLOYEE INCLUSION AND COMMUNICATION

Very important factors for successful implementation of new or updated classification and compensation plans are **1)** extensive employee inclusion, and **2)** extensive employee communication. City officials and employees will participate in one or more of the following activities:

- Attending pre-project briefings and question and answer sessions
- Completing a Position Analysis Questionnaire (PAQ) describing their position
- Elaborating on their jobs in individual or group job information interviews (option)
- Requesting a second review of their position's occupational job classification
- Receiving information pamphlet/booklet describing the updated salary plan

H. MINIMAL CITY SUPPORT REQUIRED

We are completely self-sufficient in projects of this nature and do not require any substantive staff support from the City other than payroll data, and arrangements for group and individual meetings and interviews. We appreciate, but do not require, any office space, telephone, clerical assistance, computers, or office equipment. We will provide all data entry, data processing, duplicating, and related report preparation functions.