

REQUEST FOR BOARD ACTION / CONTRACT CONTROL FORM

Tracking Number: 11

Date of Request: February 12, 2008

Date Request Received: February 12, 2008

Board Meeting Date Requested: February 18, 2008

Board Meeting Date Assigned: February 18, 2008

Short Title: Resolution Awarding And Authorizing A Classification And Compensation Study For Pender County By Springsted Incorporated: \$34,350 & Approved Budget Ordinance Amendment To Transfer Funds To Cover It.

Request Status:
 Request is proceeding to Board of Commissioners
 More information is needed -- see attached
 Request on hold -- no further information needed
 Other:

Background: The Classification and Compensation Study was not budgeted for because it was originally scheduled to be done in-house. Since it wasn't done in-house, the former County Manager had started negotiations to have an outside agency do it.

(Administrative Use Only)

The contract will be performed through an agreement between the North Carolina Association of County Commissioners (NCACC) and Springsted Incorporated of Richmond, Virginia. Ed Wooters of the NCACC will have overall responsibility for the project to determine that all contractual obligations of the study are successfully met.

CONTRACT TYPE

Renewal
 For Service(s)
 Intergovernmental -- County as Grantee
 Federal Grantor
 State Grantor
 Grant or
 County as Grantor
 County Funds
 Other Funds

PURCHASING Budgeted Item: Yes No
Date Rec'd: Reviewed and Approved
 Comments on Reverse

Date Sent: Signed:

ATTORNEY Reviewed and Approved
Date Rec'd: Legal Problem(s)
 Comments on Reverse

Date Sent: Signed:

FINANCE Sufficient Funds Available
Date Rec'd: Not Available
 Budget Amendment Necessary
 Budgeted Amendment is Attached
 Comments on Reverse

Date Sent: Signed:

CLERK Signature(s) Required:
 Board Chairman/County Manager
 Other:

Date Rec'd Approved by Board: Yes No
At meeting on

Requested by: Al Greene
Department: Manager's Office
Title: Interim County Manager
Contact Phone: 259-1200
Contact Fax:

MANAGER'S RECOMMENDATION:

Respectfully Recommend Approval.

AD
Initials

RESOLUTION: NOW THEREFORE BE IT RESOLVED by the Board of Commissioners that

a contract with and a purchase order to Springsted, Incorporated, in the amount of \$34,350 to do a Classification and Compensation Study for Pender County. The Chairman/County Manager is authorized to execute any documentation necessary to implement this resolution.

660-404580 Contracted Services/Pay Study \$34,350

AMENDMENTS:

MOVED _____ SECONDED _____

APPROVED _____ DENIED _____ UNANIMOUS

YEA VOTES: Williams ___ Tate ___ Blanchard ___ Brown ___ Rivenbark _____

J. David Williams, Jr., Chairman 2/18/08
Date

Attest 2/18/08
Date

MEMORANDUM

TO: Pender County Commissioners

FROM: Al Greene, Interim County Manager

PURPOSE: Information on Proposed Classification and Compensation Plan

DATE: February 14, 2008

I believe that you are all aware that the county has been pursuing the development of a Position Classification and Compensation Plan that will provide the framework for a fair method of determining what the pay rate should be for all of our various county jobs. The NC Association of County Commissioners offers a service to its members for developing such plans. The Association subcontracts this work to the firm of Springsted Incorporated, of Richmond, Va. Springsted provides a variety of personnel and management services to medium sized organizations. The firm was originally hired by the Association to perform a similar study for the Association, and they were so pleased with the firm that they negotiated an agreement whereby those services are offered to the counties. Since Springsted receives the benefit of a large potential customer base through the Association, they are able to offer very reasonable rates for their services.

Ms. Brill had requested a proposal from the Association and we have that proposal in hand. I have reviewed the proposal and have discussed the details of the proposal with representatives of the Association and Springsted. I am very comfortable with the proposed scope of the study, with the credentials of the firm, and with the fee proposal.

The study will involve the firm spending a considerable amount of time in Pender County. Their representatives will begin by meeting with our employees and department heads to determine exactly what each of our positions entails in terms of work required, the skills, education and experience required to perform the work, and the level of complexity involved in the work. With this information in hand the firm will then develop detailed job descriptions for each of our general county government positions.

Once the job descriptions have been completed and reviewed for accuracy by the county, the firm will "rank" the positions in order to create a scale of positions, or grades. Finally, a pay plan will be developed with grades and our jobs will be assigned pay grades with the goal of providing fairness and equity in the system. The pay grades and assignment to grades will be based on similar jobs in the private and public market place to ensure that our compensation is competitive for similar jobs in this region. All of this work will be reviewed by county staff and each step in the process approved prior to completion of a final report. The final report would be presented to the board for final acceptance.

An up to date Classification and Compensation Plan is a critical tool that we need to provide a measure of fairness in our employee compensation and to ensure that our compensation levels are adequate to attract and retain qualified employees. When implemented the plan should help to improve morale. That does not mean that all employees will be pleased with the results. It is inevitable that some will not agree with the ranking of their position or the proposed compensation. But most will recognize the fairness of the system and will appreciate the fact that the Commission is committed to providing fair and reasonable compensation to all employees.

Obviously we do not know at this point in time what the cost of implementing the plan will be once it is approved. We have to assume that the study will show that, by and large, we may not be compensating our workforce at an appropriate level. The Commission has set aside approximately \$700,000 in this year's budget in anticipation of this expense. That should certainly go a long way toward implementing the plan, and hopefully will be enough to fully implement the plan. However it is not uncommon for organizations to phase in such plans over two fiscal years if necessary.

The proposed fee for completing the study is \$34,350. One item that the firm did not provide a proposal for is an on-going tool for evaluating employees on an annual basis and software for computing merit increases. This is a critical part of the program because it must be maintained over time. Otherwise your investment in the program is wasted. Evaluation systems these days are typically developed in an objective manner that provides not only a measure of fairness, but also some measure of defense to the organization in the event of claims of unfair treatment in compensation.

I have asked the Association to amend the proposal by adding the performance evaluation component. While I do not have that amendment in hand, the Association suggested that we appropriate an additional \$13,000 to cover the cost. In addition, I would recommend that we appropriate some level of cushion for time that the firm's representatives have to spend in Pender County. It is highly likely that once we get into this study we will want more "hands on" with our employees than what the firm anticipated when they developed the proposal. Under the proposed agreement we would be billed for additional hours.

I recommend that the Commission authorize the execution of an agreement with the Association for all services outlined above, contingent upon the County Attorney's review and approval of the agreement. A separate item on your agenda is a budget transfer, which will transfer funds from the reimbursement of funds from the school board to cover this project. I recommend that \$50,000 be transferred for the project, and would expect the total cost to come in slightly under that amount.

January 22, 2008

Ms. Lori Brill
County Manager
Pender County
805 S. Walker St.
PO Box 5
Burgaw, NC 28425

Dear Ms. Brill:

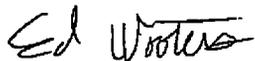
I am pleased to submit this Proposal and Scope of Services for a Classification and Compensation Study for Pender County. This submittal is presented in response to your request for information. Three copies of this agreement and proposal are enclosed.

This contract will be performed through an agreement between the North Carolina Association of County Commissioners and Springsted Incorporated of Richmond, Virginia. Mr. John A. Anzivino, Senior Vice President, will serve as project director and principal on-site consultant for this project. He will be assisted by Ms. Ann Antonsen, Vice President and other Springsted staff. Resumes of staffing assigned to this study effort and Springsted's Client References are included herein. The firm of Springsted Incorporated has conducted numerous personnel studies for counties in North Carolina and is well qualified to perform the work described herein.

I will have overall responsibility for this project to determine that all contractual obligations of this study are successfully met.

If you have any questions, or need clarification on any item contained within our Memorandum of Agreement, please contact me at the Association Office.

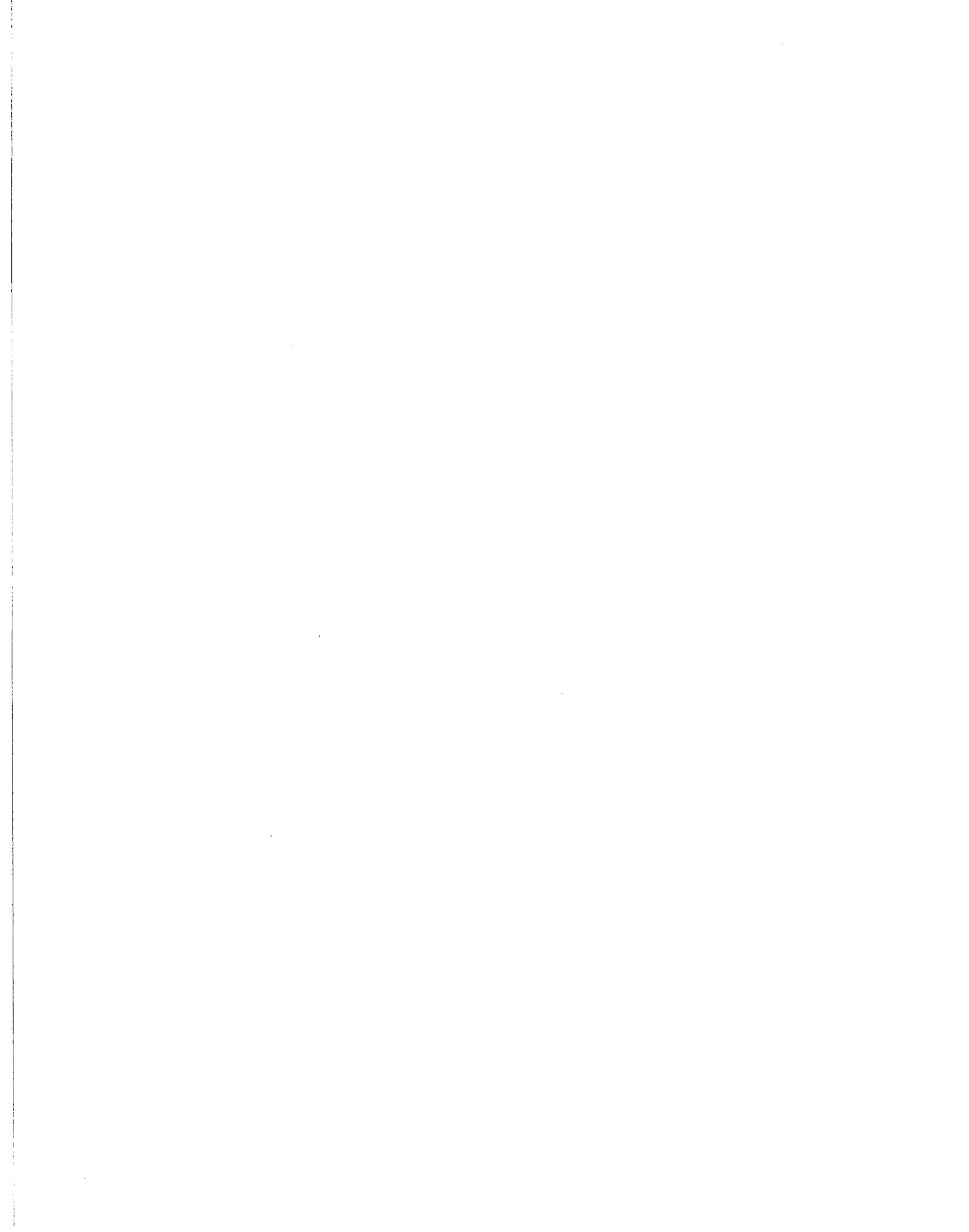
Sincerely,



Ed Wooters
Director of Member Services

Enclosures

cc: John A. Anzivino, Springsted Incorporated



MEMORANDUM OF AGREEMENT

PERSONNEL SERVICES

PENDER COUNTY

THIS AGREEMENT is made and entered into this ____ day of _____, 2008, by and between the North Carolina Association of County Commissioners, an unincorporated association, hereinafter called "Association", and Pender County, a governmental subdivision of the State of North Carolina, hereinafter called the "County".

WITNESSETH

In consideration of the amounts of money hereinafter agreed to be paid, and in consideration of the other conditions hereinafter agreed to by the County, the Association offers to perform the following services:

Scope of Services

See Attachment "A", Scope of Services as amended, which is incorporated into and made a part of the Memorandum of Agreement by reference.

Time for Performance

The time for performance will be approximately 120 calendar days. This study can be started February 1, 2008 and completed June 2, 2008. This completion date is guaranteed for a period of thirty (30) days only after the submission date.

Costs

The professional fee of the proposed work is Thirty-one Thousand Five Hundred Fifty dollars (\$31,550.00) plus project expenses not anticipated to exceed \$2,800.00.

In consideration of the services performed by the Association, the County agrees to abide by and perform the following:

The County will be billed an initial payment of \$7,888.00, two monthly progress payments of \$7,887.00 and a final payment of \$7,888.00 plus properly documented expenses when the project is completed and presented to the County. This cost includes ten (10) copies of the completed study document. The County agrees to remit payment to the Association upon receipt of each of the statements referred to above.

Execution

If this Memorandum of Agreement is not executed and returned to the Association Office within thirty (30) days from the submission date, the time frame for performance may have to be renegotiated.

If the terms of this contract are acceptable, please sign two (2) copies and return same to the Association office.

SUBMITTED BY:

ACCEPTED BY:

NORTH CAROLINA ASSOCIATION
OF COUNTY COMMISSIONERS

PENDER COUNTY

Ed Wooters

Ed Wooters
Director of Membership Services

Name

1/22/2008

Submission Date

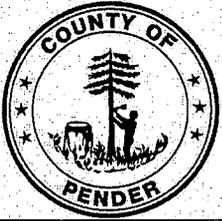
Title

Date

BUDGET ORDINANCE AMENDMENT TITLE: Non-Departmental

Introduced by: Lori Brill County Manager Date: 2/13/08 Item #: _____

Fund: General Department: Non-Departmental Division: _____



PENDER COUNTY, NORTH CAROLINA

FY 2008 Budget Amendment # _____ Date Approved: 2/13/08
Appropriations

REVENUES		EXPENDITURES	
Increase: <input type="checkbox"/>	Decrease: <input type="checkbox"/>	Increase: <input checked="" type="checkbox"/>	Decrease: <input checked="" type="checkbox"/>
Account # and Title	Amount	Account # and Title	Amount (leave off \$ sign)
		656-405710 School Current Expense	\$-50,000.00
		660-404580 Pay Study	\$50,000.00
Total:		Total: \$0.00	

Reason and Justification for Request:
 To pay for pay study.

Dept Mgr. Approval: Al Greene Date: 2/13/08 Finance Officer Approval: [Signature] Date: 2/13/08 Budget Officer Approval: [Signature] Date: 2-14-08

Board Approval (When Applicable) Item # _____ Date of Minutes _____