

EMPLOYEE CLASSIFICATION, SALARY SURVEY AND COMPENSATION STUDY

TECHNICAL & COST PROPOSAL

Prepared For:

City of Arkansas City

Prepared By:



May 14, 2024

May 14, 2024

City of Arkansas City
Attn: Marla McFarland
118 West Central
Arkansas City, KS 67005

Re: Employee Classification, Salary Survey and Compensation Study

Dear Marla:

Thank you for the RFP regarding your interest in a Compensation Study for the City of Arkansas City (**THE CITY**). It appears the City of Arkansas City is interested in taking the necessary steps to ensure their compensation plan is fair, equitable and most importantly, competitive. As requested, we are providing a technical and cost proposal with recommendations on how The Arnold Group (**TAG**) might assist the City of Arkansas City in meeting its compensation goals and objectives.

Background of The Arnold Group

- Firm Size: 30 regular, full-time internal employees and 3,000+ temporary employees
- Longevity: Incorporated in Wichita, KS in 1979
- Structure: Private business, family and women owned
- Client Industries:
 - Public Sector: Counties, Cities, and Public School Districts
 - Private Sector: Healthcare, Higher Education, Manufacturing, Professional/Business Services, and Transportation & Shipping
 - Not For Profits
- Organizational Memberships: SHRM, Rotary, NFIB, Chamber of Commerce
- Specific Experience:
 - Compensation Studies
 - Private businesses, public entities, and non-profits since the early 2000's
 - Demographic Analysis & Trend Projections
 - The Arnold Group addresses pay equity and trends in all of our compensation studies

We truly enjoyed learning about the City of Arkansas City and we are excited about this opportunity if selected. If beneficial, we would be more than happy to present a demonstration of the various components contained in the proposal as well as answer any specific questions/concerns interested parties might have regarding the technical and cost proposal. Again, thank you for the opportunity and we look forward to working with you.

Respectfully,

Phillip M. Hayes, Vice President
Heather Poorman, HR Business Partner

The Arnold Group

530 South Topeka
Wichita, KS 67202
800-794-6098

316-214-7784 (direct)

HRC-Tag@the-arnold-group.com

ABOUT THE ARNOLD GROUP

After 15 years of working for large, national staffing corporations, George Arnold decided with his wife, Marion, to break away and strike out on their own. The Arnold Group (TAG) began as an Olsten Staffing Services franchise in 1979 with a single office in Wichita, Kansas, and later expanded to include multiple offices throughout south-central Kansas. The Arnolds gained their independence in 2000 and officially rebranded as The Arnold Group.

George and Marion established TAG with the sole purpose of providing quality recruiting and staffing solutions to the Wichita business community and surrounding areas. They found success using their experience, entrepreneurial spirit, and principal belief of “putting the customers first and developing long-term relationships with them.”

Commitment to that purpose, along with significant investments in people and technology, has made The Arnold Group one of the most successful and respected recruiting firms throughout the Midwest. Unlike large national firms, we are an independent, third-generation, family-owned and operated company who focuses on integrity, quality, overall fit, and building business relationships by always putting the client first.

For over 40 years, we’ve built a solid reputation of superior services, commitment to our clients, and respect for our associates. Both our Mission and Values are dedicated to continuing to honor those very traditions and have taken us from a solitary service to a diverse provider of workforce solutions.

Our Mission

To be the preferred partner in helping organizations achieve their recruiting goals by putting relationships first.

- **Recruiting and Staffing**
Sourcing and evaluating individuals for employment based on skill level, talent, and motivation
- **Executive Search and Talent Acquisition**
Aligning qualified associates with reputable companies
- **Workforce Solutions**
Providing customized, strategic and innovative Human Resources solutions to ensure the challenges of our clients are met

Our Vision

To be the #1 Human Resource solution for clients and associates based on our five core principles.

Our Core Values

- **A**.chievement through teamwork
- **R**.espect
- **N**.ew ideas and continuous improvement
- **O**.ppportunity
- **L**.eadership with integrity
- **D**.edication to quality

Our Leadership

With over 100 combined years of experience in the human resource and staffing industry, our leadership team continues to apply George and Marion’s basic principles in guiding The Arnold Group’s current success.

PROPOSED SOLUTIONS

In working with The The City of Arkansas City (**THE CITY**), The Arnold Group will provide you with the highest quality of professional service. We will bring extensive resources, experience, fresh ideas and approaches, responsiveness to your needs and interests and sound judgement. The objective of the study will be to provide THE CITY with a compensation plan that will continue to accurately reflect job roles and responsibilities, establish an organizational structure that is flexible to accommodate The The City of Arkansas City’s growth and is well aligned with its broader goals and strategies. To meet The City of Arkansas City’s needs, TAG offers the following background and technical components for your review and consideration.

WHY THE ARNOLD GROUP?

- We offer a unique benefit to the client
 - The City of Arkansas City is provided more than just a report or recommendations for changes
 - Compensation tools utilized to complete this project will be provided to The City of Arkansas City at no additional cost, giving THE CITY the ability to update and maintain the information with little effort

“After discussing their approach and learning more about their comp philosophy and seeing a demonstration of their Comp Book as a deliverable, going with The Arnold Group wasn’t just the obvious choice for [our city] ... it was the only choice.”
- Jo, Director of HR

- TAG is always a phone call away for immediate assistance
- If the employee data is maintained the necessity to complete a formal and expensive compensation study more frequently is essentially eliminated. When it's time to do another full study with The Arnold Group, the cost is drastically reduced with a maintained TAG designed Compensation Tool
- Our Compensation Tool has a COLA and Merit/Pay for Performance administration feature built-in
 - Evaluations of individual, departmental and/or organizational performance have significant influence on the amount of pay increases given to each employee
 - Increases can be calculated and reflected in the budget process
- We've been in your shoes; we look at the process from a client's viewpoint. We understand the challenges you may be facing
- We understand the reality and balance between budget constraints against employee recruitment, retention and morale
- We are an independent, third-generation, family-owned and operated company who focuses on integrity, quality, overall fit, and building business relationships by always putting the client first
- We place a high emphasis on a balanced approach to external AND internal equity
 - Increases retention of current employees
 - Increases application pool
 - Mitigates risk of discrimination lawsuits

HR PROJECT TEAM

Phillip M Hayes, Project Manager



As a principal owner, Hayes provides company leadership as well as engages with clients to strengthen their HR programs, objectives, and goals by delivering tailored workforce solutions. With an undergrad in HR Management and a Masters in Management Information Systems, coupled with 20+ years of business and HR experience, he's been recognized as the Wichita and the Kansas HR Professional of the Year. Phil remains active in legislative priorities pertaining to state HR policy and specifically in the unemployment arena as he was appointed to serve on the Kansas Employment Security Board of Review; the Kansas Unemployment Compensation Modernization & Improvement Council; and the Kansas Workers Compensation and Unemployment Review Board Nominating Committee.

Heather Poorman, Project Partner



As an HR Business Partner, Heather serves as a collaborative HR advisor offering professional guidance, support and expertise to partner with clients and stakeholders to effectively help manage their workforce challenges while saving them valuable research time, reducing costly external legal fees, ensuring compliance obligations and mitigating risk. With her extensive background in employee benefits and compensation, Heather is committed to helping organizations move their HR strategy forward with the professionalism and service expected from a true HR business partner.

RECENT PROJECT EXPERIENCE

- Bergkamp, Inc. – KS
- Berry Companies – KS
- City of Emporia, KS
- City of St. Mary's, KS
- City of Winfield, KS
- Crawford County, KS
- Dickinson County, KS
- Ellis County, KS
- Finney County Committee on Aging – KS
- Finney County, KS
- Geary County, KS
- GLMV Architecture – KS
- Heartspring – KS
- Kan-Okla Networks – KS & OK
- Lincoln County, KS
- Miami County, KS
- Midwest Public Risk – MO
- Montgomery County, KS
- Ottawa County, KS
- Pottawatomie County, KS
- Reno County, KS
- Riley County Police Department – KS
- Saline County, KS
- Seward County, KS
- South Central Kansas Area Agency on Aging – KS
- USD 443, Dodge City Public School District – KS
- USD 457, Garden City Public School District - KS
- Vermillion, Inc. – KS
- West Texas Rehabilitation Center – TX
- WSU Tech - Wichita State University – KS

Client references available upon request

SCOPE OF WORK / METHODOLOGY

The City of Arkansas City has identified a need to complete a comprehensive pay and classification study resulting in an updated, fair, equitable, and legally defensible strategy and plan, which meets the goals of the organization.

The Arnold Group understands that compensation as a reward system is an important indicator of how effectively a business strategy is implemented. In addition, effective compensation systems work to achieve motivated employees, control compensation costs, ensure internal and external equity and allocate financial resources appropriately.

We focus on the three most important aspects of compensation – employees, organizational capabilities and core competencies. In considering the many sides of what it may take to align all three of the above compensation areas, we break these three areas down further to find a foundation for where TAG starts the compensation consideration process.

Job Descriptions

All employers, regardless of size, should have accurate and well-written job descriptions for each position in the organization. Job descriptions should serve to document the consistent application of job duties across job titles, without regard to gender, race, religion and/or nationality.

There is no law that specifically mandates job descriptions, but they are crucial to complying with various employment laws. For example, the Americans with Disabilities Act (ADA) states a person with a disability is considered a qualified candidate for the job if he or she can perform the essential functions of the job with or without reasonable accommodation. All job descriptions should be written in conformity with the ADA to include the essential functions and the physical work environment details. Essential functions cannot be determined and applied consistently without the development of accurate job descriptions.

Effective job descriptions

- Assist with employment advertisements and job-based selection tests and evaluations
- Aide in analyzing staffing needs and compensation budgets
- Identify essential functions as required by the Americans with Disabilities Act (ADA) and assist in accommodating employees with disabilities
- Determine physical requirements, such as an ability to lift and/or move 25 pounds
- Help protect THE CITY from claims of discrimination in hiring
- Aide in conducting performance evaluations based on job requirements
- Correlate the level of job responsibility with the pay
- Assist in determining exempt/non-exempt status as required by the Fair Labor Standards Act (FLSA)

Project Note

- Job Descriptions provided by The City of Arkansas City will be utilized for this project
- If no job descriptions exist, TAG can create them for you for an additional cost (included in the cost section of this proposal)

Project Approach

The Arnold Group's approach is consultative in nature and is summarized as follows:

Understand the business environment

- This involves a critical evaluation of both the internal and the external business environment, meaning the situational position of your organization within the broader landscape of the business world and in comparison, with your competitors (private and public employers)

Clearly define and understand the need

- Before any business challenge can be fully addressed, it is crucial to understand how the issue is affecting each stakeholder—and how any potential solutions could impact them as well

Provide an objective, 3rd party, partnership perspective

- Define the purpose, know the end goal
- Present and generate ideas
- Involve the customer, ask for feedback and even foster healthy dissent for best outcomes
- Create a plan with specific and measurable action items/milestones

Implement new HR solutions

- Evaluate the organization's readiness for change by
 - Considering the culture of the organization. Is it open and generous? Or greedy
 - Understanding the organization's values and guiding principles. Does the organization value transparency
 - Assessing the style of the leadership team. Are the leaders approachable or do they induce fear among employees

- Evaluating employees' readiness for change. Is this something employees have been anticipating and asking for

Make change sustainable

- The key to making a sustainable change is continued evaluation of how the change is working (or not working)
 - Check in with stakeholders in person to ask what they like about the new program and what recommendations they may have for further improvement
 - Holding a feedback meeting and brainstorming for ways to improve
 - Meeting with senior executives to share the outcomes of the program and gain their input
 - Communication focused on increasing transparency, encouraging involvement, buy-in, and sustainability

Classification, Salary Survey & Compensation Plan

Compensation is a critical piece of overall human resources strategy vital in attracting, retaining, and motivating employees. Because compensation is both visible and important to employees, a compensation program designed to communicate and reward strategic goals increases the probability employees not only understand what those goals are but also achieve them. Because employees also understand compensation dollars are important to the organization, the strategic intent of other human resources efforts, such as performance management, recruiting, career development, and the like, is also clearer if their designs are consistent with the compensation program. In short, realization of compensation strategy requires the money match the message.

Formal pay scales are valuable for a number of reasons including assistance in controlling costs, providing set minimum starting wages for positions, and providing a legal defensible position since organizations with pay scales are less likely to be challenged with pay discrimination complaints.

Based on feedback we have received, The City of Arkansas City's current salary structure is informal through a combination of job evaluation techniques including general market information, wage comparison, and similar positions analysis. Current job descriptions exist for many positions.

The Arnold Group provides customized compensation services for organizations. TAG evaluates the use of market survey data, job documentation materials, and the overall design of the core compensation plan by collecting data, analyzing pay ranges and grade differentials, overtime practices, pay range progressions, and other details of your pay structure.

The Arnold Group recommends the following:

- **Complete a Point Factor Analysis (PFA)** of compensable factors of current job descriptions to objectively determine external and internal wage equity. Compensable factors are characteristics that define and distinguish jobs from one another such as knowledge, supervisory control, guidelines, complexity, scope and effect, personal contacts, purpose of contacts, physical demands, and work environment
 - Internal equity is the value of jobs to each other relative to their value to the organization
 - External equity is best achieved by staying in tune with the job market via wage and salary survey information, and adjusting your salaries and/or ranges where appropriate
- **Establish pay grades and distinguish between non-exempt, exempt and executive pay grades**
 - Commonly applied groups
 - **Grades 10-15** Operations/Industrial/Clerical/Office (non-exempt)
 - **Grades 30-35** Management/Administrative/Professional (exempt)
 - **Grades 40-42** Executive (exempt)
- **Establish benchmark salaries** for the lowest, common paid non-exempt position(s) and the lowest, common paid exempt position(s). Build the pay scale with pay ranges based on the midpoint of the benchmark positions
 - Calculate the pay spread within each pay grade to determine minimums and maximums to allow for an appropriate amount of growth within the pay grades while meeting THE CITY's goals and expectations
 - Identify pay range quartiles and compa-ratio's to be used throughout the employment relationship regarding all THE CITY's employees
 - Ensure the pay range minimums reflect mandated requirements under the Fair Labor Standards Act (FLSA)
 - Traditionally, new hires will start at the minimum pay rate because they have the least experience. Ideally, the wage range minimum should be high enough to attract the most qualified candidates to the position
 - Identify "green-circled" (below pay grade minimum) and "red-circled" (above pay grade maximum) employees to allow THE CITY to plan and take appropriate communication/action
- **Develop and/or revise The City of Arkansas City's written compensation and wage policy** to include promotions, transfers, and definitions for spread, job analysis, job evaluation, job classification, and schedule of wage scale reviews and methods used

WORK SAMPLES

We welcome the opportunity to provide an in-person or online demonstration with the appropriate parties or Steering Committee. Following are a few select screenshots from our Workforce/Compensation Dashboard for your reference.

Organizational & Departmental Summary - Employee Gender			
		Male	Female
12.	ALL EMPLOYEES / ALL DEPARTMENTS	216	51.31%
13.	Administration	1	20.00%
14.	Appraiser	3	21.43%
15.	Aging & Public Transportation	11	42.31%
		205	48.69%
		4	80.00%
		11	78.57%
		15	57.69%

Organizational & Departmental Summary - Employee Tenure (Excludes Commissioners)							
		<1 yr	1-4 yrs	5-9 yrs	10-14 yrs	15-19 yrs	20-24 yrs
		206	48.93%				
			304	72.21%			
			353		83.85%		
				379		90.02%	
					399		94.7
32.	ALL EMPLOYEES / ALL DEPARTMENTS	69	16.39%	137	32.54%	98	23.28%
33.	Administration	1	20.00%	2	40.00%	1	20.00%
34.	Appraiser	2	14.29%	3	21.43%	3	21.43%
35.	Aging & Public Transportation	4	15.38%	9	34.62%	7	26.92%
						49	11.64%
						26	6.18%
						1	20.00%
						3	21.43%



Point Factor Analysis

Job Number	Common Name	Factor 1 - Knowledge Required	Factor 2 - Supervisory Control	Factor 3 - Guidelines	Factor 4 - Complexity	Factor 5 - Scope and Effect	Factor 6 - Personal Contact	Factor 7 - Purpose of Contact	Factor 8 - Physical Demands	Factor 9 - Work Environment	Point Factor Total	Job Grade
YS-0004.00	Cook	200	25	25	75	75	10	20	20	20	470	11
MP-0003.00	Custodial Technician FT	200	25	25	75	75	10	20	20	20	470	11
MP-0004.00	Custodial Technician PT	200	25	25	75	75	10	20	20	20	470	11
YS-0005.00	Custodial Technician PT	200	25	25	75	75	10	20	20	20	470	11
PW-0044.00	General Laborer	200	25	25	25	25	10	20	50	50	430	11
SW-0006.00	General Laborer	200	25	25	25	25	10	20	50	50	430	11
DA-0001.00	Administrative Associate I	350	25	25	75	75	10	20	5	5	590	12
EM-0003.00	Administrative Associate I	350	25	25	75	75	10	20	5	5	590	12
HD-0001.00	Administrative Associate I - Health Dept.	350	25	25	75	75	10	20	5	5	590	12
HD-0002.00	Administrative Associate I - WIC Clerk	350	25	25	75	75	10	20	5	5	590	12
HD-0012.00	Breastfeeding Peer Counselor	200	125	125	75	75	10	20	5	5	640	12
AGT-0003.00	Bus Driver	350	25	25	75	75	60	20	5	20	655	12
MP-0001.00	Crew Leader - Custodial	350	25	25	75	75	10	20	20	20	620	12
HD-0021.00	HHA-CNA	350	25	25	25	75	25	20	20	20	585	12
DA-0004.00	Administrative Associate II	350	125	125	75	150	10	20	5	5	865	13
PW-0001.00	Administrative Associate II - AP/AR/Utility Billing	350	125	125	75	150	10	20	5	5	865	13
CLK-0002.00	Administrative Associate II - Clerk	350	125	125	75	150	10	20	5	5	865	13
HD-0003.00	Administrative Associate II - Environmental Health	350	125	125	75	150	10	20	5	5	865	13
HD-0004.00	Administrative Associate II - Interpreter Grant Funded	350	125	125	75	150	10	20	5	5	865	13
PW-0002.00	Administrative Associate II - Permits/Time Keeping	350	125	125	75	150	10	20	5	5	865	13
HL-0005.00	Administrative Associate II - WIC Clerk	350	125	125	75	150	10	20	5	5	865	13



COLA Date: 01/01/23

Departmental Employee Summary

Today: 12/08/22	Pay Compression Analysis - Total Positional Tenure - Target Pay w/ Inflation										c. Non-Elected/Contracted EEs Projected COLA		e. Non-Elected/Contracted EEs Projected		Total Dept. Proj. PMP Increase \$		Total Dept. Proj. Increase \$		Total Red Circled (Over Max)		Total Green Circled (Under Min)	
EE Count: 14	0.3th Percentile In Grade	0.3th Percentile or Target Pay w/ Inflation	DIFF	Current/Recommended ADJ. Annual	Annual Impact	Adjusted Range Penetration on (%)	Est. Total Current Dept. Base Pay Only	Est. Total Current Dept. Differential Pay Only	Est. Total Current Dept. Total Pay	Total Dept. Proj. COLA Increase \$	Total Dept. Proj. PMP Increase \$	Total Dept. Proj. Increase \$	Total Dept. Proj. Increase \$	Total Red Circled (Over Max)	Total Green Circled (Under Min)							
PMP Date: 04/15/23	\$22.77	\$6.61	\$699,258.93	\$53,959.73	\$645,299.20	\$9,424.00	\$645,299.20	\$653,723.20	1.000%	6,452.39	2.000%	\$13,036.04	\$19,488.04	\$6,356.40	\$29,107.80							

Sheet for total EE analysis. You can sort by any heading once you unprotect the worksheet. Protect the worksheet once you are done editing/sorting.

Information Based from Today: 12/08/22

EE	EE Last	MI	0.3th Percentile In Grade	0.3th Percentile or Target	DIFF	Current/Recommended ADJ. Annual	Annual Impact	Adjusted Range Penetration	Hrly Base Rate	Wkly Reg. Hrs	Hrly Differential 1	Hrly Differential 2	Hrly Differential 3	Total Hrly Base Rate	Annual Wages (Base Only)	Annual Differential Wages	Comp Ratio	Range Penetration (%)	Red Circled (Over Max)	Green Circled (Under Min)	
1		2022	\$23.21	\$26.36	\$2.37	\$47,278.40	\$0.00	25.82%	\$23.75	40.00				\$22.73	\$47,278.40	\$0.00	89.12%	26.82%	\$0.00	\$0.00	
2	Smith		\$23.21	\$26.97	\$4.26	\$43,618.00	\$8,903.70	10.49%	\$16.69	40.00				\$16.69	\$34,715.20	\$0.00	65.44%	26.82%	\$0.00	\$6,399.80	
3	Anderson		\$28.79	\$28.79	\$0.00	\$55,723.20	\$0.00	61.19%	\$28.79	40.00				\$28.79	\$55,723.20	\$0.00	106.03%	61.19%	\$0.00	\$0.00	
4	Bel		\$23.21	\$24.88	\$4.41	\$44,937.47	\$9,172.27	16.97%	\$17.19	40.00				\$17.19	\$35,755.20	\$0.00	67.40%	26.82%	\$0.00	\$5,359.80	
5	Hogers		\$23.21	\$23.21	\$0.28	\$48,277.58	\$903.90	30.00%	\$22.92	40.00				\$22.92	\$47,673.60	\$0.00	89.80%	27.47%	\$0.00	\$0.00	
6	Thomas		\$23.21	\$23.21	\$4.42	\$48,277.58	\$9,194.30	30.00%	\$18.79	40.00				\$18.79	\$39,083.20	\$0.00	73.67%	25.51%	\$0.00	\$2,033.80	
7	Davis		\$28.01	\$28.01	\$0.00	\$54,100.00	\$0.00	54.39%	\$28.01	40.00				\$28.01	\$54,100.00	\$0.00	103.96%	54.39%	\$0.00	\$0.00	
8	Black		\$23.21	\$19.77	-\$0.76	\$42,702.40	\$0.00	6.85%	\$20.53	40.00				\$20.53	\$42,702.40	\$0.00	60.49%	6.85%	\$0.00	\$0.00	
9	Roberts		\$23.21	\$23.21	\$3.28	\$48,277.58	\$6,823.10	30.00%	\$19.93	40.00				\$19.93	\$41,454.40	\$0.00	78.14%	1.42%	\$0.00	\$0.00	
10	Hanson		\$23.21	\$28.97	\$5.68	\$43,618.00	\$16,001.30	10.49%	\$15.97	40.00				\$15.97	\$33,217.60	\$0.00	62.51%	23.38%	\$0.00	\$7,697.40	
11	Peterson		\$23.21	\$26.36	\$4.16	\$42,348.45	\$8,652.45	5.17%	\$16.20	40.00				\$16.20	\$33,696.00	\$0.00	63.51%	-11.07%	\$0.00	\$7,419.00	
12	Hayes	J	\$34.58	\$26.36	-\$14.22	\$71,526.40	\$0.00	-5.96%	\$34.58	40.00	\$0.00	\$0.00	\$0.00	\$34.58	\$71,526.40	\$0.00	136.58%	29.85%	\$6,936.40	\$0.00	
13	Jones		\$28.00	\$28.00	\$0.00	\$59,904.00	\$0.00	-5.96%	\$28.00	40.00	\$3.76	\$0.30		\$32.85	\$59,904.00	\$3,424.00	127.45%	98.16%	45.95%	\$0.00	\$0.00
14	Cass		\$23.21	\$23.21	\$0.10	\$48,277.58	\$908.70	30.00%	\$23.11	40.00				\$23.11	\$48,088.80	\$0.00	90.64%	29.13%	\$0.00	\$0.00	

PROJECT SCHEDULE

Here at The Arnold Group, we pride ourselves on our excellent ability to meet multiple time commitments while maintaining excellent customer service. The Arnold Group's size provides us with dedicated staff to your project and allows us to make your Organization's needs our top priority. For your Organization's project, we will put together a projected project timeline that meets your priorities.

The Arnold Group estimates project completion within 8-12 weeks and assumes the timely receipt of information/documents from The City of Arkansas City. Provided we receive all the required information within a timely manner, we are confident this project will be completed on time and on budget.

LEGAL

The Arnold Group is not aware of any current, pending or potential disciplinary action or complaint(s) or other like proceedings, including any claims in arbitration, mediation, or litigation, against the firm or against any partner or associate of the firm or team.

The Arnold Group is not aware of any actual or potential conflicts of interest with The City of Arkansas City.

The Arnold Group will conform to the requirement to maintain strict confidentiality about all matters of this project.

The Arnold Group will not engage in any partnerships regarding this project.

CERTIFICATE OF INSURANCE

The Arnold Group's Certificate of Insurance is included in our submission as a separate attachment.

THANK YOU

The Arnold Group would be honored to work with The City of Arkansas City and earn your trust and business because of this RFP submission. With more than 100 years of combined HR experience, our team and our services align with The City of Arkansas City's goals and objectives as outlined in the RFP/RFQ.

We look forward to the next steps in continuing this journey with The City of Arkansas City. If you have any follow up questions, please feel free to contact us.

COST SUMMARY

The Arnold Group's rate structure for The City of Arkansas City's project is based on estimated project time and level of expertise required to complete each service.

Employee Classification, Salary Survey, and Compensation Study

Cost Option 1: \$29,572

Cost Option 2: \$37,552

- Review/engage with The City of Arkansas City documents
 - Background information
 - Organization charts, personnel policies/rules review
 - Position descriptions – review, clarification, interviews, updates
 - **135 Employees | Up to 5 Depts. | 79+ Unique Positions**
- Review/create recommended classification structure for all The City of Arkansas City positions
 - Consistent, consolidated structure
 - Allows for department/division analysis as well as organizational wide
- Review/complete a Point Factor Analysis (PFA) of compensable factors of current job descriptions
 - Knowledge, guidelines and complexity
 - Supervisory control, job scope and effect
 - Personal contacts and purpose of contacts
 - Physical demands and work environment
- Establish pay grades and distinguish between non-exempt, exempt, and executive pay grades
- Establish benchmark salaries for job grades
- Recommend grade progression and pay spreads for each pay grade
- Establish pay scale summaries and guidelines to assist HR with new hire starting pay/criteria
- Ensure the pay range minimums reflect mandated requirements under the FLSA
- Revise/develop written compensation and wage policy
- Conduct and present employee compensation analysis with recommendations
- Deliverables (digital/electronic copies)
 - Final written report and presentation of the plan to appropriate parties
 - Methodologies, findings, conclusions and recommendations
 - Finalized Compensation Administration Workbook (CompBook) with training
 - Workforce Planning Dashboard
 - Workforce Summaries (gender, tenure, age, race/ethnicity)
 - Organizational/departmental financial summaries
 - Compensable Factors, Point Factor Analysis (PFA) Summary and Job Grade Conversion Table
 - Formal Pay Scales
 - Employee Pay/Wage Analysis
 - Employee Compa-Ratio and Wage Penetration Impact
 - Current Pay Alignment
 - Green/red circled employee analysis
 - Pay equity and employee pay compression analysis
 - Labor cost/budget analysis and projections impact
 - Written Wage and Salary Administration Policy and Related Forms
 - Compensation Policy and Objectives
 - Methodology and Procedures
 - Performance Evaluations / Pay Increases
 - Cost of Living Adjustment (COLA)
 - Grade & Step, Merit, or Pay for Performance
 - COLA Adjustments and Pay Scale Maintenance
 - Market Adjustments, Promotions, and Reclassifications (Demotions, Transfers)
 - Payroll Change and Salary Adjustment Forms

Option 1:	\$29,572
Payment Terms: All Payments Due within 1 Year	
<ul style="list-style-type: none"> • Project kickoff: 25% due • Project mid-point: 25% due • Project completion: 50% due 	<ul style="list-style-type: none"> \$7,393 \$7,393 \$14,786
One-Year Annual Support Included	\$0
<ul style="list-style-type: none"> • TAG offers follow up, maintenance, support and analysis for one (1) year following the CompBook delivery date <ul style="list-style-type: none"> ○ Point Factor Analysis (PFA) review/calculation for new and/or updated position descriptions ○ Update salary survey data points <ul style="list-style-type: none"> • <i>Subsequent annual support:</i> 	<i>\$3,286/per year</i>

Option 2:	\$37,552
Payment Terms: All Payments Due within 3+ Years	
<ul style="list-style-type: none"> • Project kickoff: 40% due • Year 2: 30% due • Year 3: 30% due 	<ul style="list-style-type: none"> \$15,021 \$11,266 \$11,266
Three Years Annual Support Included	\$0
<ul style="list-style-type: none"> • TAG offers follow up, maintenance, support and analysis for three (3) years following the CompBook delivery date <ul style="list-style-type: none"> ○ Point Factor Analysis (PFA) for new and/or updated position descriptions ○ Update salary survey data points 	

Optional Service: Job Description Review and Update **\$5,140**

- Review, assess and update existing job descriptions
 - Job Purpose and Objectives
 - Supervisory / Management Competencies
 - Job Competencies / Essential Functions
 - Position Requirements and Qualifications
 - Required / preferred qualifications, certifications, licenses
 - Knowledge / Skills / Abilities
 - Work Environment and physical demands
 - Personal contacts and confidential / sensitive information
 - Convert all job descriptions to a recommended, updated, and consistent format with your input
- Create new job descriptions
 - For any positions added during the compensation project
 - For any active position that currently does not have a written/updated job description

Employee Performance Management Integration

Generally, any existing or new performance management solutions can easily dovetail into our core compensation workbook

Optional, Cloud-Based, Employee Performance Management Solution

A demonstration available upon request, can be selected separately at a later date

Performance management that is easy for everyone

- For annual reviews, quarterly goals, continuous feedback and everything in between, our recommended software partner offers flexible features for HR and creates a simple employee experience

Flexible and automated

- Your organization is unique, and your performance management strategy should be too. We embrace your requirements, so you can manage your entire vision from one place; reviews, goals & feedback

Streamlined for employees

- Employees should focus on feedback and performance, not administering performance management. We make it easy for employees to participate in your process

- **Setup Fee & Supervisory Training Session(s)** **\$500**
 - Includes creation of a customized supervisory and non-supervisory evaluation templates
 - Unique performance evaluations based on job descriptions available at an additional cost
- **Annual License Fee per employee** **\$25**

ADDITIONAL HR SERVICES

In any successful organization, the heart and soul of the company lies with the people. To be a profitable, productive, growing organization and have satisfied employees, an effective human resource function must be a foundational element for every organization. Providing effective human resource solutions, therefore, is a critical function of any successful business. There are a significant number of capabilities involved in human resource management to include the following:

- Compensation Analysis/Strategy
- Disciplinary Actions
- Employee Benefits
- Employee Handbooks/Policies
- Employee Investigations
- Employee Motivation/Recognition
- Employee Orientation/On-Boarding
- Employee Relations
- Employee Surveys
- Employee Training
- Exit Interview Programs
- FLSA Exempt/Non-Exempt Status Surveys
- Form I-9 Audits
- HR Audit/Compliance Assessment
- HR Coaching
- HR Department Set-Up/Operations
- HR Hotline/HR Hotline *PLUS*
- HR Policy/Procedure Review
- Job Analysis/Job Descriptions
- Organizational Development
- Performance Management
- Pre-Employment Screening
- Records Retention Programs
- Recruiting & Retention Strategies
- Safety Programs & Consulting
- Staffing & Placement Services
- Supervisory Training
- Testing & Evaluations
- Time & Attendance Solutions
- Training & Development
- Unemployment Cost Control
- Wage & Salary Survey