



Octavio Rodriguez
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Annette Crawford, SHRM-CP
Human Resources Director
City of Lawrenceville
70 S. Clayton Street
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November 25, 2021

Subject: Statement of Work ("SOW")

Dear Annette:

The objective of this Statement of Work ("SOW") is to confirm the scope of our work and the compensation for this project. This SOW is subject to the terms and conditions contained in the engagement letter with us dated April 28, 2021.

Project Details

1. **Project name:** Compensation Assessment
2. **Description of Mercer responsibilities:** Provided in detail below under "Services to be Provided".
3. **Description of client responsibilities:**
 - Provide existing job and compensation data as appropriate.
 - Coordinate meetings and availability of resources as needed.
 - Actively participate in meetings as requested

4. **Period of time over which work will be performed:**

We anticipate the completion of this project will be March 31st, 2022 assuming this SOW is signed and executed in December, 2021. This SOW is effective through July, 2022 to allow for additional follow-up after the initial project.

5. **Fee Structure:** Mercer's compensation for the services will be professional fees not exceeding **\$110,000**.
6. **Client Team:** Octavio Rodriguez, a Principal in the Atlanta office, will lead the engagement and be responsible for its overall success. Octavio will work with other associate who will provide analytical and consulting support during the project.

Services to be Provided

Phase 1 – Project Planning

- Develop high level project plan, create calendar with tasks and resources
- Conduct project planning meeting to agree on scope, process, time frame, roles and responsibilities, and parameters for success
- Initial Kick-off with the HR Team
- Update City of Lawrenceville Connect Site/ Share point access to communicate documents and assign tasks to HR
- Identify key stakeholders (leaders; ~ 15 departments), prepare project introduction to gain buy-in and facilitate key stakeholder meetings. HR to be present in meetings to support on information needed and HR clarification

INFORMATION/DATA GATHERING

- Develop data request for compensation, titles, job descriptions (or job documentation), organization structure
- Gather and review organization, job, employee, and compensation program information

Phase 1 – Deliverables

- Project plan, defined roles and responsibilities, and success measures
- Mercer's understanding of current state and related challenges

Phase 2 – Build the Job Architecture (run simultaneously with Phase 3)

- Create list of Lawrenceville's job family groups, job families, career streams and levels structure
- Update Lawrenceville job architecture definitions based on Mercer's library as starting point
- Conduct a working session with HR and 15 Directors to:
 - Review key components of job architecture
 - Assess/organize jobs into the logical vertical (job family group/job families structure) and horizontal (levels and career streams) structure utilizing a baseline job architecture that aligns with our survey database
- Facilitate meeting with HR and/or Directors (15) to review and refine placement of jobs in the architecture
- Incorporate feedback from HR Team for a final placement of jobs

Phase 2 – Deliverables

- Definitions of Lawrenceville's job family groups/job families. Definitions of Lawrenceville career level descriptors to ensure consistent career leveling dimensions that define critical differences between job levels
- 15 Directors meetings

Phase 3 – Market Pricing

PREPARE BENCHMARKING DATABASE

- Load published compensation market surveys (public and private sector) from Mercer's survey library into MarketPay
- Load Organization surveys, employee/job data (*scope assumes one Excel file for each survey source & one Excel file of employee/job data*)

CONDUCT COMPENSATION BENCHMARKING

- Identify comparable job matches from multiple survey sources for each benchmark job (scope assume future state job profiles)
- Select the most relevant scope(s) of data based on validated compensation benchmarking strategy
- Review benchmarking results with Lawrenceville HR Project Team only (*scope assumes 3 to 4 one-hour conference calls*)
- Update job matches and survey scope selection, as needed, based on feedback (*assumes two round of revisions*)
- Complete detailed employee-level analysis to understand alignment to market. Summarize results by various segments (e.g., by job family o department)
- Gap Analysis displaying employees' variance to market, as needed

Phase 3 – Deliverables

- Summary report of compensation competitiveness including base pay and target incentive levels (short-term incentives)
- Market match summary report for each benchmark job (market compensation data and survey job capsules). Assume 90 – 100 jobs

Phase 4 – Salary Structure Design

CREATE SALARY STRUCTURE

- Develop market-based base salary structure design alternatives (two alternatives in scope; e.g. step structure and “broad banding” or typical min/min/max structure), taking into account job family pay line differences
- Slot jobs/employees into structure(s) based on market competitive ranges from Market Pricing Phase (in scope; all employees within the benchmarked jobs)
- Analyse cost impact (e.g., compa-ratio for each employee, cost to 18 Steps and 27 Levels and cost to broad banding scenario)
- Identify advantages/disadvantages of design alternatives
- Develop summary report of design alternatives
- Review summary report with HR Team only
- Select go-forward design alternative
- Update summary report of design alternative, as needed, based on feedback
- High-level recommendations

Phase 4 – Deliverables

- Summary report of go-forward design alternative(s)
- Excel file of salary structure design alternative(s) with benchmark jobs/employees slotted to grade
- Detailed employee- and job-level comparisons to salary structure design alternatives
- HR to review and re-map the employees where applicable, and update on system by job code
- Develop compensation administration guidelines

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Annette Crawford, SHRM-CP
City of Lawrenceville

We appreciate your business and look forward to working with you on this engagement. Please acknowledge your agreement to the terms contained herein by signing below.

Mercer (US) Inc.

By: Octavio Rodriguez

Name: Octavio Rodriguez
(Please Print)

Date: December 1, 2021

Title: Principal

ACCEPTED AND AGREED

City of Lawrenceville

By: _____

Name: _____
(Please Print)

Date: _____

Title: _____