

**GRAND RAPIDS PUBLIC UTILITIES
REQUEST FOR PROPOSAL
FOR COMPENSATION STUDY
2023**

Project

Grand Rapids Public Utilities (GRPU), a municipal utility established by the City of Grand Rapids, Minnesota, is requesting proposals for consulting services to conduct an Employee Compensation Study as described herein.

Background

On March 30, 1910, the Grand Rapids Village Council adopted a resolution establishing a Water, Light, Power, and Building Commission for the Village of Grand Rapids. In 1949, in accordance with state statutes, the Water, Light, Power, and Building Commission was changed to a Public Utilities Commission.

The Grand Rapids Public Utilities Commission (GRPUC) is a branch of the City government charged by Section 412.321, Minnesota Statutes with full control, operation, and management of the electrical power distribution system, the water production, treatment, and distribution systems, and the wastewater collection and treatment systems. The area served by the GRPU includes the Cities of Grand Rapids, LaPrairie, Cohasset, and certain other outlying areas. The members of the Commission are appointed to four-year terms by the City Council.

There have been significant changes in the structure and organization of GRPU departments and individual job duties and responsibilities. GRPU currently has approximately 22 job classifications with approximately 35 full time employees.

Employee groups include: Administration Department, which includes human resources. Electric Department, Business Services Department, which includes finance, customer service, and information technology, and Water and Wastewater Department. Employees in several of these departments are represented by the AFSCME Union.

Employee involvement, through participation in questionnaires for job analysis and through employee information meetings will be an integral component of the review process.

Goals and Objectives

The purpose of the Compensation Study is to address changes in GRPU operations and staffing, which may have affected the type, scope, and level of work being performed.

GRPU's objectives are to:

1. Attract and retain qualified employees;
2. Provide salaries commensurate with assigned duties;
3. Clearly outline promotional opportunities and provide recognizable compensation growth;
4. Provide justifiable pay differential between individual classes; and
5. Maintain a competitive position with other comparable government entities and private employers within the same geographic areas.

All work will be done with regular involvement of the General Manager, Business Services Manager, and Human Resources Officer. Labor Management, supervisors and other key personnel will be involved as necessary. Regular presentations and meetings with these individuals or groups, incorporating their input into the process, are expected. Presentation to GRPUC upon completion of the project is also expected.

The study shall evaluate the present salary structure as compared to the specific job market for comparable positions in the public sectors. The consultant shall perform or provide the following:

A. Scope of Services

1. Provide for a comprehensive evaluation of every job within GRPU to determine relative worth within the organization for internal equity and for the establishment of pay ranges and step progressions within the ranges.
2. Establish appropriate benchmarking standards and conduct salary surveys as needed for similar positions with comparable Minnesota municipalities, as required.
3. Identify potential pay compression issues and provide potential solutions.
4. Analyze and recommend changes to the present compensation structure to meet market analysis. This recommendation may include recommendations for individual positions as well.

B. Information Meetings

1. Consultant to schedule an initial meeting with General Manager, Business Services Manager, and Human Resources Officer, to discuss the process and tasks to be performed in the study to include reasonable dedication of key personnel.
2. Consultant to meet with departments to explain study and process to be used.
3. Consultant to provide frequent updates to Human Resources Officer.

C. Compensation Study

1. Consultant to review current compensation plan and understand current challenges in recruiting and retaining employees.
2. Consultant to recommend and identify a consistent and competitive market position that GRPU can strive to maintain.
3. Consultant to recommend comparable labor markets, including both private and public sector employers for compensation survey.
4. Consultant to develop and conduct a comprehensive compensation and benefits survey.
5. Consultant to recommend appropriate salary range for each position based on the classification plan, the compensation survey results, and the internal relationships and equality. Prepare a new salary structure based on the results of the survey and best practices.
6. Consultant to develop guidelines to assist GRPU staff with determining the starting pay for new employees based on knowledge and experience above the minimum requirements of the position, how difficult the position is to fill, and market competitiveness.
7. Consultant to recommend implementation strategies including calculating the cost of implementing the plan.
8. Consultant to identify any extreme current individual or group compensation inequities and to provide a recommended corrective action plan and process to remedy these situations.
9. Consultant to make recommendations and to provide implementation strategies related to other key compensation practices, based on market demands, including skill pay, special assignment pay, certification pay, promotional pay, and acting assignment pay.
10. Consultant to provide system documentation and computer formats/software to administer compensation plan.
11. Consultant to provide recommendations for the ongoing internal administration and maintenance of the proposed compensation plan. Maintenance should include annual activities such as market survey.
12. Consultant to conduct a compression analysis to include any recommendations for implementation.
13. Consultant to conduct a comprehensive training program for Human Resources staff to ensure that the staff can explain and administer the new system in the future. The training program should be clearly spelled out in the proposal.

GRPU Resources

GRPU will provide copies of all pay ranges, job classifications, and any other available in-house information requested by the selected consultant that may be required to complete the study.

Proposal Format and Requirements

The offeror shall submit one PDF of their written proposal that presents their qualifications and understanding of the work to be performed. Include all information requested, organized, and clearly identified in a table of contents as described in the paragraphs that follow. Any other information thought to be relevant, but not applicable to the enumerated categories, may be provided as a separate appendix to the proposal. The following information/documents shall be included in the proposal package to be considered responsive to the Request for Proposals:

A. Agents and Address

Identify who will be the project manager and key staff assigned if awarded. Provide resumes summarizing the qualifications and experience of the individuals who will be conducting the study. Include specific information on the staff's experience with public sector compensation. Describe successful outcomes. List the address, e-mail address, and telephone number of the office from which the services are to be provided. Promotional literature and other public relations documents should NOT be included.

B. Statement of Methods and Procedures

Provide a statement describing the scope of work as you understand it. Describe the approach, means, methods, and procedures to be used to gather the data, analyze findings, and develop recommendations as requested. Provide a sample of reports and/or other correspondence.

C. Management Synopsis

Provide a synopsis prepared for management review, covering the significant features of the proposal including overall costs and term of work.

D. Structure and Content of Work Product

Provide a detailed breakdown and description of the specific steps, services, and study products that will be provided. Describe how the final product will be structured and presented upon completion. Include any computer/software compatibility information. Firms may elect to include in the section any innovative methods or concepts that might be beneficial to GRPU, as long as the minimum requirements set out in this RFP are met.

E. Work Schedule

Provide a timeline indicating tasks required and the start and completion dates for each. It is expected that the work will commence as soon as possible after the contract is awarded.

Consultant Submittal

The proposal shall contain the following:

1. Description of the firm's approach to the development of a compensation system. Include information on the job evaluation system proposed, along with sample job descriptions and employee questionnaires.
2. Tentative timeline for the project.
3. Clearly define the proposed fees and scope of services for each of the following project components:
 - A. Position analysis;
 - B. Position description;
 - C. External wage data;
 - D. Preparation of final documents of the plan including guidelines for plan administration cost of living adjustments, advancement through pay scale, etc. Written and electronic data, as appropriate, must be submitted.

The proposal shall clearly define additional services and reimbursable costs not included in the base fee, and an hourly rate for post-contract services.

Proposals must include a not to exceed lump sum fee.

References from public utilities and/or municipalities in the State of Minnesota who have used the firm for similar services and are now using the system. References should include a point of contact at the utility or city.

Project Completion

Completion shall be within five months of the award. It is anticipated a contract will be awarded at the May 10 GRPUC meeting.

Other

Questions regarding this RFP can be directed to Chery Pierzina, Human Resources Officer at 218-326-7606 or e-mail at cpierzina@grandrapidsmn.gov.

One complete PDF, of the proposal shall be submitted by **4:30 PM on Friday, April 14, 2023**, to:

Grand Rapids Public Utilities
Attn: Chery Pierzina
500 SE 4th Street
Grand Rapids, MN 55744
cpierzina@grandrapidsmn.gov
218-326-7606

Grand Rapids Public Utilities reserves the right to select the proposal it finds in the best interest of GRPU and to reject any or all proposals. Finalists may be requested to make a brief presentation.