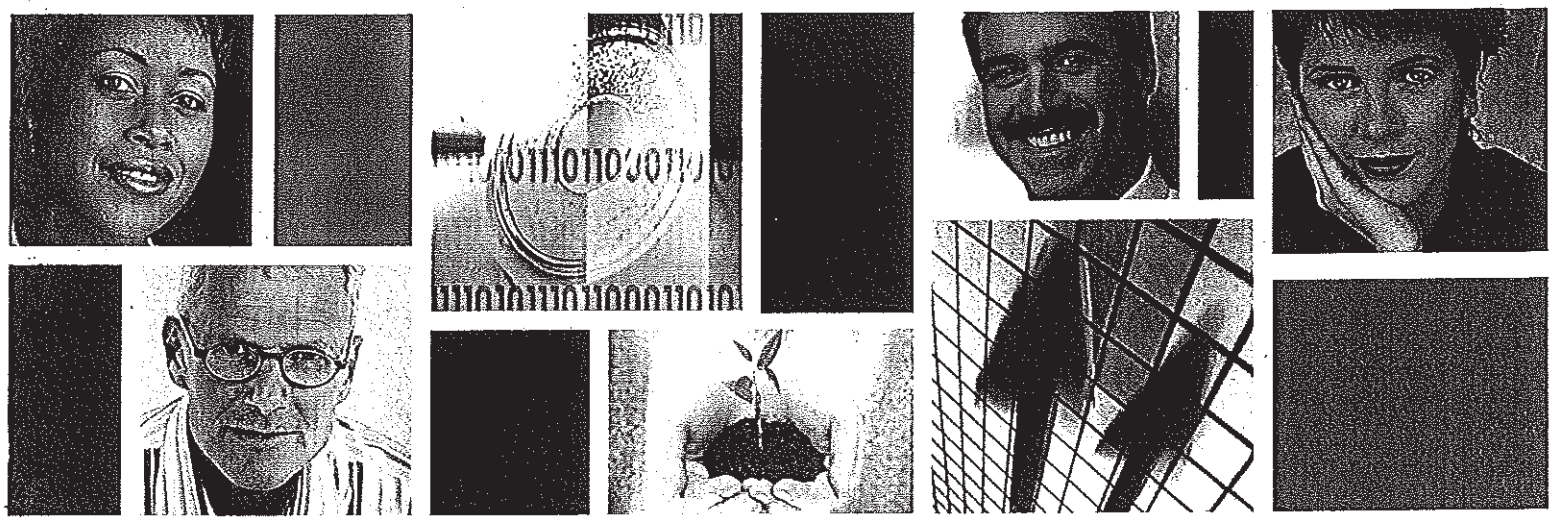
CBIZ Benefits & Insurance Services, Inc. Proposal



PROPOSAL TO SERVE:
CITY OF AURORA, MISSOURI
CLASSIFICATION AND COMPENSATION STUDY SERVICES

Presented by:
CBIZ Benefits & Insurance Services, Inc.
d/b/a CBIZ Human Capital Services

Contact Person:
Amber Duncan, CCP, SPHR
Manager, Compensation Consulting
625 Maryville Centre Drive, Suite 200
St. Louis, MO 63141
(314) 692-2249 ext. 295
Location of office: St. Louis, Missouri

Due: March 16, 2015, 9:00 a.m. Central

CBIZ

CBIZ, Inc.
625 Maryville Centre Drive, Suite 200
Saint Louis, MO 63141
Phone: 800.844.4510
www.cbiz.com

March 16, 2015

Ms. Kathie Needham
City Clerk
City of Aurora
2 W Pleasant
P.O. Box 30
Aurora, MO 65606

Dear Ms. Needham:

In response to the City of Aurora's ("the City") Request for Proposals ("RFP") for classification and compensation study services, CBIZ Human Capital Services ("CBIZ" or "the Firm") is pleased to present the following proposal describing how we could provide assistance in the area of classification and compensation system design.

Based on our review of the City's RFP, we understand that the City desires a consultant to perform the following key services:

Market Analysis and Compensation Plan Update and Job Description Review

- Conduct meetings with City management to kick off the study, set expectations and gain additional insight regarding the City's current classification, compensation and benefits practices.
- Review the City's current compensation and benefits plans, including policies, salary ranges and employee compensation and benefits offerings.
- Analyze market-competitive salaries and benefits for all City position using data acquired via the custom survey, as well as a published survey database to capture data on positions for which the City competes with the broad labor market.
- Modify the existing salary ranges or create new salary structures and recommend market adjustments for specific positions and employees with consideration for internal equity.
- Calculate total implementation costs and propose an implementation schedule based on the City's financial resources.
- Develop policies and procedures that allow the City to effectively the new program.
- Present the finalized systems to the City and submit project deliverables.
- Assist in maintaining the compensation plan in future years by submitting proposed annual salary increase and structure adjustment values for up to five years.

- If Bid 2 is accepted, CBIZ will also:
  - Create and distribute a job analysis questionnaire to gain up-to-date and accurate information from employees with regard to their jobs.
  - Conduct Fair Labor Standards Act analysis to determine appropriate exemption status for each job.
  - Revise the job descriptions to represent current job roles and to ensure compliance with ADA and FLSA guidelines.

In serving the City, we will make a definite commitment of our resources to provide you with the highest quality of professional service. We will bring extensive experience, fresh ideas and approaches, responsiveness to your interests and sound judgment. The following pages present CBIZ's proposed work program, service team, client references and project schedule.

We accept all terms and conditions specified in the RFP and commit to perform the work within the specified timeline. This proposal is a firm and irrevocable offer for ninety (90) days after the date and time set for receipt.

We are excited about this opportunity and look forward to working with you. Please let me know if you desire any additional information or explanation.

Sincerely,

Amber Duncan

Amber Duncan, CCP, SPHR
Manager, Compensation Consulting

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EXECUTIVE SUMMARY

We appreciate the opportunity to propose CBIZ Human Capital Services' compensation services to the City of Aurora. We are excited about the prospect of working with the City and building a successful relationship.

As outlined in greater detail in the following section, CBIZ proposes to assist the City in establishing a system that enhances the City's ability to attract, retain and motivate qualified individuals, establishes a structure that is flexible in order to meet changing needs and is well-aligned with the City's broader goals and strategies. In an effort to meet the City's needs, CBIZ will complete the following steps:

1. Conduct meetings with the City's Management Team, City Council and employees at key phases of the project to ensure understanding and agreement, refine next steps based on City philosophy and culture, identify task responsibility (i.e., CBIZ or the City) for subsequent steps and maintain the project schedule.
2. Review the current City compensation plans, including job descriptions, policies, salary ranges and employee compensation.
3. Analyze market-competitive salaries and benefits (health insurance plans, leave programs, retirement, etc.) for all City jobs via a custom survey. In addition, CBIZ will use a published survey database to capture data on positions for which the City competes with the broad labor market.
4. Modify the existing salary ranges or create new salary structure, assign all City jobs to the structure and recommend market adjustments for specific classifications.
5. Review total implementation costs, provide implementation options and recommend an implementation schedule based on the City's financial resources.
6. Train the City Clerk and other key City employees on administering the plans.
7. Present the finalized classification and compensation plan to the City and submit project deliverables.

If Bid 2 is accepted, CBIZ will also:

1. Develop and distribute a job analysis questionnaire to gain up-to-date and accurate information from employees with regard to their jobs.
2. Conduct Fair Labor Standards Act analysis to determine appropriate exemption status for each job.
3. Revise the job descriptions to represent current job roles and to ensure compliance with ADA and FLSA guidelines.

We expect the project to be completed in approximately two and one half months. Based on this timeline, we are able to meet the City's deadline for preliminary results of June 1, 2015. It should be noted that this is an aggressive timeline given the private survey data collection. While we will do everything we can to ensure survey

participation by peer surveys (i.e. providing multiple format options, phone calls before sending survey, follow up, etc.), we cannot guarantee the responsiveness of the peer municipalities. Where necessary, CBIZ will augment the peer data with recently conducted private surveys in the Kansas City and St. Louis metropolitan areas that can be geographically adjusted as necessary.

CBIZ has a vast amount of experience in working with many other clients to design classification and compensation programs, including other municipalities and governmental entities. We are committed to working with City to develop recommendations for the future, and we are well equipped to do so. The description of services, background information and references contained in this proposal will demonstrate our capabilities and competencies.

WORK PROGRAM AND SCOPE OF SERVICES

It is our understanding that the City of Aurora is seeking a qualified compensation consulting firm to design and implement a comprehensive classification and compensation plan. In an effort to meet the City's needs, CBIZ proposes to conduct the following project components and steps outlined below.

Alternate Bid 1: Market Analysis and Compensation Plan Update

Step 1 – Initiate Project *(includes up to one full day of on-site meetings)*

- Conduct one day of project kick-off meetings with the City's Manager, City Clerk, Department Heads and/or employees, as desired:
  - Discuss overall project goals and schedule.
  - Gain a deeper understanding of the compensation philosophy, objectives, plans, time frames and culture of the City.
  - Discuss the various components of total cash compensation and the relative impact of this study.

Step 2 – Collect and Reconcile Job Data

- CBIZ provides the City with a data request letter detailing required information and data.
- The City submits to CBIZ all requested information and data.
  - Data collected will relate to current pay practices and programs, specific details regarding the current pay determination process, current job descriptions, internal equity issues, etc.
- CBIZ assesses the data in its entirety to ensure that all necessary information has been submitted and that there are no discrepancies. This step will ensure that the new compensation plan reflects current and accurate job titles and supporting documentation for each employee included in the plan.
  - CBIZ reconciles submitted job descriptions with employee job titles to make sure that a job description for each employee is available.
  - CBIZ notifies the City of any submitted job descriptions for which there is no incumbent to determine whether re-titling is needed, the job is unfilled or the job has been eliminated.

Step 3 – Evaluate Job Documentation

- For Alternate Bid 1, CBIZ will review the job documentation currently in place and rely upon it for the analysis. If CBIZ identifies any incomplete job documentation, we will notify the City and ask for additional information.

- For Alternate Bid 2 (described below in detail), we will collect job-specific data from the employees and update job descriptions.

Step 4 – Identify Relevant Labor Markets

- The three most important labor market characteristics are the size of the company, geographic scope and industries from which an organization recruits talent. CBIZ will determine each characteristic as it relates to the City before reviewing survey sources and conducting the market analysis.

  1. Size of Organization: A key factor to be considered in determining the market-competitive compensation, particularly for senior level positions, is the size of the business. CBIZ will request the City's most recent and projected operating budget as well as headcount to ensure that organizational size is accurately reflected in the data utilized.
  2. Geographic Scope: Most hourly paid jobs such as clerical jobs are recruited locally. Professional jobs may be recruited state wide or regionally. Because individuals who work in senior management positions often relocate solely to accept a new job, national searches are commonly conducted for these positions. In contrast, hourly employees seldom relocate primarily on the basis of a job.
  3. Industry Scope: Some jobs only exist within a certain industry and are most accurately priced to that industry exclusively. Conversely, some jobs are found in all organizations, and the true market for these jobs usually considers this broader market. Most clerical and trades jobs can be found in any organization. For the City, CBIZ will consider municipal and county government and the broader labor market, as appropriate.

Step 5 – Administer Custom Compensation and Benefits Survey

- CBIZ conducts a survey of approved peer municipalities and others for selected jobs.
  - Peer organizations are likely to be much more responsive to a shorter, more concise survey. The exact number of benchmark jobs to include will be determined by CBIZ and approved by the City.
  - CBIZ and the City determine defensible, comparable entities to which the City should be compared. A group of up to 15 entities will be selected.
  - CBIZ distributes an online survey to the selected organizations to collect pay information for select benchmark jobs from the comparable entities. As with the online JAQ, in our experience, the use of an online private survey has a direct positive impact on the efficiency of data collection. CBIZ analyzes the data and prepares a summary, which will be provided to the City as well as participants. Individual participant data will not be disclosed.

Step 6 – Conduct External Market Analysis

- CBIZ conducts a published survey analysis to collect competitive base salary and benefits data for similar positions in comparable organizations paying employees to perform similar functions.
  - In addition to the Custom Survey conducted in Step 5, CBIZ will utilize a published survey database that automatically compiles 1,900 published surveys as well as any surveys to which the City subscribes.
- CBIZ prices the City's jobs to the market and recommends appropriate salary grade placement. The key to this step is comparing actual skills, duties and responsibilities to market data as opposed to merely matching job titles.

Step 7 – Design or Update Salary Structure(s)

- Develop a draft market-based salary structure to help the City maintain its competitive position, or update the pay structures currently in place.
  - CBIZ and the City discuss the need for and pros and cons of creating separate salary structures for critical and/or hard-to-fill technical and professional positions.
- Finalize the draft market-competitive salary structure considering the City's compensation philosophy and plans for future growth.
- Slot employees into the salary structures based upon their current position and the market-competitive data collected in previous steps.

Step 8 – Perform Benefits Comparison Assessment

- CBIZ compares the primary components of the City's benefits package to the market-competitive benefits data.
  - Specific benefits for which data will be collected include health (medical, dental and vision), retirement, paid time off (vacation, sick leave, personal leave, etc.), life insurance, short- and long-term disability insurance, voluntary benefits, etc.
- Any significant differences between the City's benefits levels and those reported in the market data will be identified.
- Specific recommendations on benefits offerings provided to the City's employees will be documented.

Step 9 – Analyze Financial Impact

- Compare the City's current compensation practices to the market-competitive data and the revised salary structure.
- Assess the financial impact of implementing the recommended compensation practices. In consideration of the City's budgetary constraints, CBIZ models phased implementation over multiple years, as needed.
- CBIZ and the City discuss and determine the optimal implementation strategy considering cost, culture and other issues.

Step 10 – Discuss Draft Recommendations and Internal Equity Adjustments *(conducted via teleconference)*

- Conduct a meeting with the City Manager and City Clerk to discuss the draft salary structure, assess the internal equity of each job and review the implementation cost analysis for the compensation recommendations.
- Make any necessary changes in plan design resulting from the meeting (assumes one set of revisions).

Step 11 – Develop Compensation Procedure Manual and Train Human Resources Staff

- CBIZ creates a manual providing direction for maintaining the City's compensation plan.
- CBIZ draft policies and procedures to guide the City's human resources staff in administering the plan.
  - Topics may include annual compensation planning, pay increase recommendations, hiring pay, promotions, demotions, job classification/reclassification, assigning new jobs to the pay structure, policy exceptions, approvals and notifications, etc.
- Train the City Clerk and other key City employees on administering the plan.
  - CBIZ thoroughly reviews the compensation plan and its methodology with the City's human resources staff to ensure complete understanding of the system, so that it may be properly administered and maintained with little external assistance.

Step 12 – Present Final Results *(includes up to one full day of on-site meetings)*

- Conduct meetings with the City Council, City Manager, City Clerk and/or City Department Heads to review the overall compensation plan design and final results of the project. We will discuss the best approach for results presentations based upon the culture of the City.

- Make any necessary changes in plan design resulting from the meeting (assumes one set of revisions).

- Issue project deliverables in appropriate electronic format (i.e., Microsoft Word or Excel).

Step 13 – Ongoing Administration

- CBIZ will provide the City with salary increase and structure update factors for **up to five years.** This ensures that the new compensation system remains competitive for years to come. No additional fees will be charged for the annual update factors. A sample of the annual update is provided in the "Additional Information" section.

- CBIZ will also be available, for a fee, to market price and recommend grades for requested jobs on an as-needed basis.

Alternate Bid 2: Job Description Updates

Step 1 – Review Job Descriptions

- It is important to understand how the jobs are currently performed so that they can be evaluated and compared to the market. In order to ensure job documentation is complete, up-to-date and accurate, CBIZ proposes to conduct the following steps:
  - CBIZ reviews the City's existing job descriptions and identifies any job documentation gaps that result in an incomplete understanding of the job in its various roles and settings.
  - CBIZ develops an online job analysis questionnaire ("JAQ") to obtain information which should be addressed in the job descriptions such as the duties of the position and Fair Labor Standard Act ("FLSA") and Americans with Disabilities Act ("ADA") issues. The JAQ will also be provided in Microsoft Word format for employees without internet access.
  - Employees complete the online or paper JAQ. CBIZ returns copies of the JAQs for supervisor approval.
  - Supervisors sign off on the JAQ by commenting directly on the JAQ document or on a response form, and copies are provided to CBIZ.

Step 2 – Fair Labor Standards Act Review

- CBIZ applies the FLSA exemption tests (Executive, Administrative, Professional, Computer Professional, Sales and Highly Compensated) to determine the appropriate FLSA overtime classification for each position, based upon the duties and responsibilities provided in the job analysis questionnaires.

Step 3 – Job Descriptions Update

- CBIZ notes any recommended title changes or title consolidations and discusses the proposed title changes with the City's human resources staff to develop final recommendations.
- CBIZ drafts job descriptions in a standardized format which are ADA and FLSA compliant.
- CBIZ submits the job descriptions to the City for review and processes one set of changes based upon the review.

QUALIFICATIONS AND EXPERIENCE

Multiple Services with a Single Focus: Your Success

CBIZ is one of the nation's leading providers of outsourced business services, including human resources consulting, accounting and tax, benefits and insurance and a wide range of consulting services.

CBIZ Facts

- ✓ #1 benefits specialist in the U.S.
- ✓ 8th largest accounting firm in the U.S.
- ✓ One of the largest valuation firms in the U.S.
- ✓ Nearly 4,000 employees nationwide
- ✓ Attest services may be provided by Mayer Hoffman McCann P.C., a national, independent CPA firm
- ✓ CBIZ is traded on the New York Stock Exchange (NYSE) under the symbol "CBZ." Being accepted by the world's premier equity market represents recognition of CBIZ's growth, stability, market position and business conduct.

CBIZ Locations

QUALIFICATIONS AND EXPERIENCE

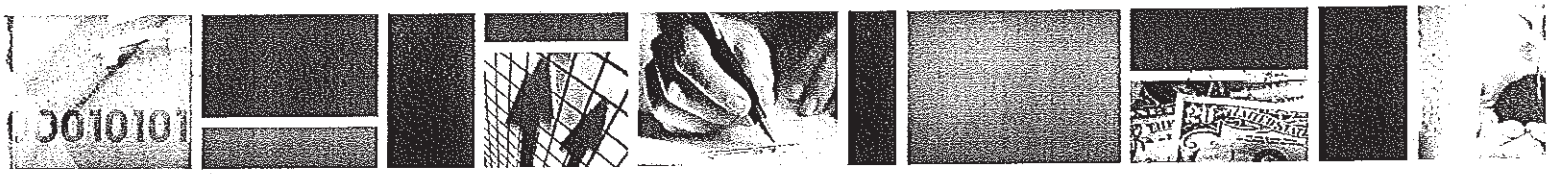
CBIZ, Inc.'s corporate headquarters are located in Cleveland, Ohio. CBIZ Human Capital Services, located in St. Louis, Missouri, will assist The City of Aurora. This office serves as the national Human Capital Services consulting headquarters for CBIZ, Inc. Key human resources experts are based at this location and provide services to clients from coast to coast.

CBIZ Human Capital Services has vast experience completing compensation studies for our clients. The Compensation Consulting Division dedicates much of its staff and resources to the completion of these studies. CBIZ Human Capital Services conducts at least 25 to 30 all-organization compensation studies annually. In addition, we provide a variety of other compensation consulting services, including for-profit (public and private) and non-profit executive compensation studies, job description development, compensation discrimination testing, online performance management implementations and merit matrix development.

CBIZ Competitive Advantage

CBIZ has developed a comprehensive approach to assist clients in meeting their human resources needs. The Firm has experienced great success by distinguishing itself from both small and large consulting firms. That is, CBIZ offers the resources and methodologies of larger firms, typically at lower prices, while also providing the flexibility and dedicated attention of smaller consulting firms.

CBIZ values the importance of each client and respects all decisions and ideas as we work collectively to achieve a common objective that will benefit the client for years to come. The City of Aurora will be a priority to CBIZ, and all needs and requests will be addressed as quickly as possible in an effort to provide optimal client service.



QUALIFICATIONS AND EXPERIENCE

Key Personnel

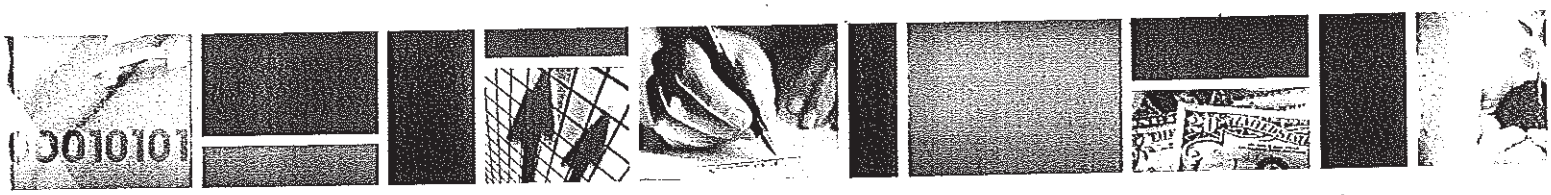
Our Firm's ability to provide quality, efficient and timely service is largely dependent upon the skills and experience of our people. We are proud to present a team of individuals who have a proven record of bringing the necessary blend of technical competence, industry experience, innovative ideas and suggestions and value-added services to our clients. Our philosophy of utilizing highly experienced personnel allows us to perform extremely efficiently and enables us to provide unmatched quality.

Ed Rataj, Amber Duncan, Ryan Blackwell and Christine Blazevic will be responsible for the services provided to the City. A professional summary for each individual is presented on the following pages. They will be assisted by other qualified HR consulting professionals, as necessary.

Managing Director: Ed Rataj
Ed will provide strategic oversight for the study and ensure quality standards are met and client satisfaction is achieved.

Project Manager: Amber Duncan
Amber will serve as the manager of the engagement, overseeing all aspects and serving as the primary client contact.

Analysts: Ryan Blackwell and Christine Blazevic
Ryan and Christine will provide day-to-day technical and client service, assisting with all facets of the compensation analyses.



QUALIFICATIONS AND EXPERIENCE

Edward R. Rataj, CCP

Miami University (Ohio), B.S. degree in Finance

Mr. Rataj is the Managing Director of the Compensation Consulting Division of CBIZ Human Capital Services. He has seventeen years of experience in the area of human resources, focusing on designing innovative compensation programs.

Prior to joining the Firm, Mr. Rataj served as a Compensation Consultant for Mellon (formerly known as Buck Consultants) and was employed by William M. Mercer. Mr. Rataj assists clients in the design and implementation of strategic base salary and incentive programs. His core areas of expertise includes designing market-based and job evaluation-based compensation programs, pay structures, and compensation surveys, as well as developing policies and procedures. Additionally, Mr. Rataj has experience in consolidating compensation plans for organizations completing mergers and acquisitions. He has consulted with numerous clients in various industries.

Mr. Rataj is a certified Compensation Professional (CCP), served as the President of the Compensation and Benefits Network of Greater St. Louis (CBN) and is a member of WorldatWork (formerly known as the American Compensation Association). In addition, Mr. Rataj has been recently quoted in the Wall Street Journal, Smart Money magazine and TheStreet.com as an expert in the area of compensation.

QUALIFICATIONS AND EXPERIENCE

Amber Duncan, CCP, SPHR

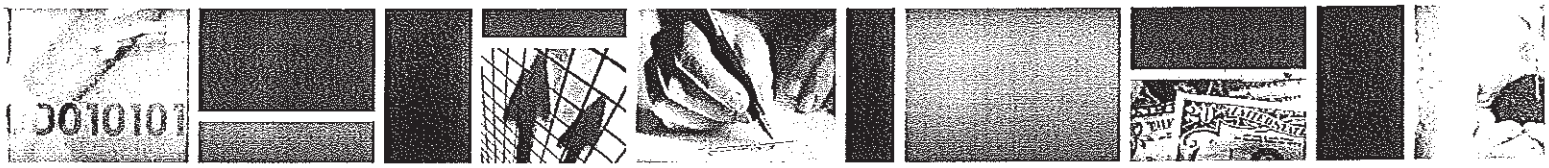
University of Missouri-Columbia, MBA
Western Illinois University, B.A.

Ms. Duncan is a Manager for CBIZ Human Capital Services.

Ms. Duncan's human resources consulting experience includes planning, designing and implementing innovative compensation and human resources programs. Ms. Duncan functions in various roles within the human resources division, handling such client responsibilities as compensation plan design and administration (including market analysis, job documentation, job evaluation and salary structure development), as well as policy development and performance management program design. In addition, Ms. Duncan also assists with human resources technology initiatives, including CBIZ University, our online learning management system and CBIZ Performance Connection, our online performance management system. She has consulted with many non-profit and municipal organizations regarding compensation issues and studies.

Ms. Duncan earned her Masters in Business Administration from the University of Missouri – Columbia. Prior to graduation, Ms. Duncan gained experience at Deloitte Consulting, serving as a consultant on a systems integration process project for a client in the financial services industry.

Ms. Duncan is a certified Senior Professional in Human Resources (SPHR) and a Certified Compensation Professional (CCP). She is a member of WorldatWork (formerly the American Compensation Association) and the Lamoine Valley Human Resources Association.



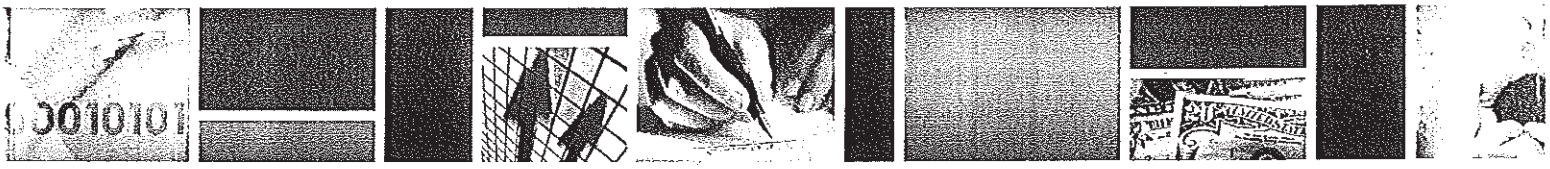
QUALIFICATIONS AND EXPERIENCE

Ryan Blackwell

University of Missouri-Columbia; MBA
University of Missouri-Columbia; B.S. degree in Finance

Mr. Blackwell is a Compensation Consultant for CBIZ Human Capital Services in the St. Louis, Missouri office. Since joining CBIZ, Mr. Blackwell's experience includes utilizing compensation surveys to perform market analysis for a wide range of industries and positions. He also has experience in evaluating job questionnaires and developing job descriptions. Mr. Blackwell is a member of the Compensation and Benefits Network of Greater St. Louis and is in the process of becoming a Certified Compensation Professional (CCP).

While working toward obtaining his Master's degree in Business Administration at the University of Missouri-Columbia, Mr. Blackwell gained consulting experience by performing competitive analysis and providing pricing research for an established company. Additionally, he participated in an assessment of distributor web communication for a Chicago-based commercial speaker company.



QUALIFICATIONS AND EXPERIENCE

Christine Blazevic, CCP

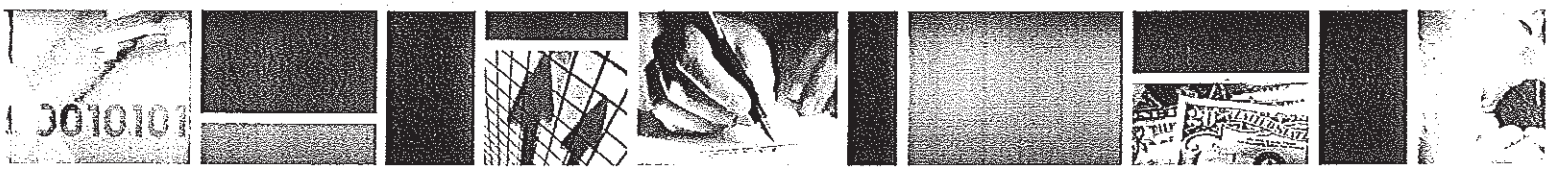
Saint Louis University, B.A. in English and Certification in Business Administration

Ms. Blazevic is a Consultant in the compensation consulting division of CBIZ Human Capital Services.

Ms. Blazevic's compensation experience includes extensive use of compensation surveys to perform market analysis for a wide range of industries and positions. She has assisted in the design of point-factor systems for job evaluation plans and has a broad background in creating and evaluating job descriptions. Ms. Blazevic has also developed reports and tools to validate and support salary structure adjustments and employee merit increases.

In addition, Ms. Blazevic's human resources background includes recruiting and employment, outplacement, training, and overall human resources management for some of St. Louis' most prominent employers.

Ms. Blazevic is a Certified Compensation Professional (CCP). She is a member of WorldatWork (formerly the American Compensation Association) and the St. Louis Compensation Association.



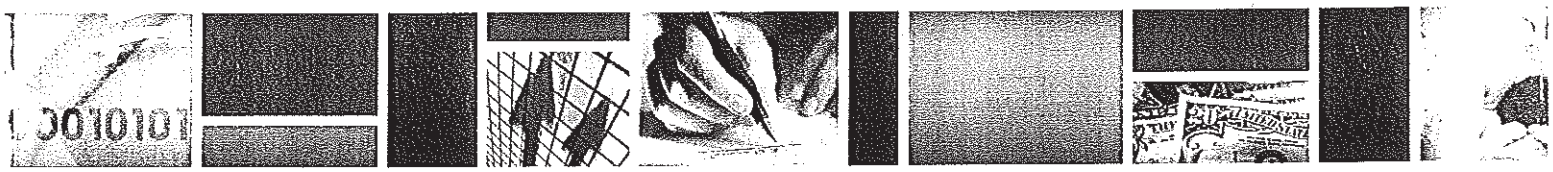
QUALIFICATIONS AND EXPERIENCE

References

CBIZ frequently conducts classification and compensation studies for our government and government-related clients. Projects similar to that requested by the City which are currently in progress or have been recently performed by CBIZ are described below. Each contact person identified may be contacted to verify the quality of CBIZ's work and competence of the Firm's assigned staff. CBIZ would be happy to provide additional references upon request.

City of Osage Beach, Missouri
City Hall
1000 City Parkway
Osage Beach, Missouri 65065
Contact: Ms. Cindy Leigh, Manager, Human Resources
Phone: (573) 302-2000, Ext. 25
Services Provided: The City's compensation study consisted of job family-based job evaluation, competitive market analysis, salary structure, salary analysis, communications and policies. On an annual basis, CBIZ conducts compensation analyses for select positions to ensure the City remains well-aligned with market rates.

City of Clayton, Missouri
10 N. Bemiston Avenue
Clayton, Missouri 63105
Contact: Ms. Carlye Lehnen, Human Resources Manager
Phone: (314) 290-8449
Services Provided: The original scope of the project for the City of Clayton included conducting a proprietary municipality compensation and benefits survey, analyzing published survey compensation and benefits information, creating salary structures, slotting employees into the structures and conducting a financial impact analysis. This compensation study, completed in 2006, resulted in a transition from a compensation system based on internal equity to one based on external competitiveness. In 2010, CBIZ was engaged again to perform a comprehensive update to the City's compensation and benefits system, including conducting a proprietary municipal survey and analyzing the private survey data as well as published survey data in order to revise the compensation and benefits programs based on current market trends.

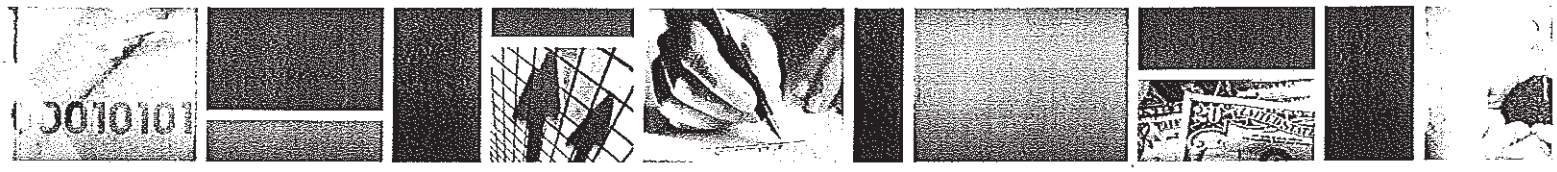


QUALIFICATIONS AND EXPERIENCE

City of Columbia, Missouri
600 E. Broadway
PO Box 6015
Columbia, MO 65205
Contact: Ms. Margrace Buckler, Director of Human Resources
Phone: (573) 874-7736
Services Provided: CBIZ recently performed a comprehensive review of the City's classification and compensation practices. Employees were asked to complete job questionnaires and participate in focus groups. Based on this and other City information, CBIZ drafted job descriptions, recommended revisions to classifications and departmental hierarchies and evaluated relevant market compensation data. The results of the market evaluation supported the pay adjustment recommendations that were presented to the City Council for approval.

City of Duluth, Minnesota
313 City Hall
411 W. 1st Street
Duluth, Minnesota 55802
Contact: Ms. Kim Hall, Manager, Human Resources
Phone: (218) 730-5201
Services Provided: CBIZ conducted a complete review of compensation and benefits for all City employees. Jobs were evaluated based on an external market analysis as and a new job evaluation system was developed by CBIZ.

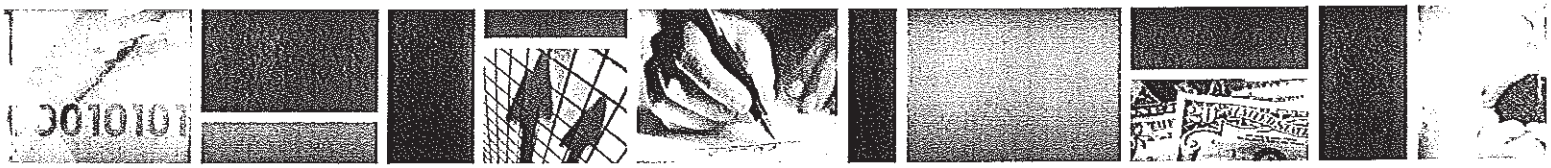
City of Kansas City, Missouri
City Hall, 12th Floor
141 East 12th Street
Kansas City, MO 64106-2705
Contact: Gary O'Bannon, Director of Human Resources
Phone: 816-513-1947
Services Provided: CBIZ performed a compensation and benefits study for the City's Aviation and Water Services departments. The study consists of both published and private survey analysis. The results of the study were used to evaluate the existing salary ranges and propose market compensation adjustments.



QUALIFICATIONS AND EXPERIENCE

City of Lansing, Kansas
800 First Terrace
Lansing, Kansas 66043
Contact: Ms. Sunshine Petrone, Human Resources Director
Phone: (913) 727-3036
Services Provided: CBIZ conducted a classification, compensation and benefits study for the City. The study included an assessment of comparable government entities as well as broader industry data reported in published compensation surveys. Implementation scenarios were developed in consideration of the market-competitive results as well as employee compression issues. The study concluded with a presentation to the City Council.

City of Ottawa, Kansas
City Hall
101 S. Hickory Street
Ottawa, Kansas 66067
Contact: Ms. Melissa Fairbanks, Human Resources Director
Phone: (785) 229-3635
Services Provided: CBIZ recently completed a classification and compensation study for all City employees. The study consisted of an evaluation of job descriptions, assessment of market-competitive pay data, development of new salary structures and determination of implementation costs and strategies.



Cost Breakdown

Our professional fee structure is based upon standard hourly rates for consulting services. We have repeatedly found that our philosophy of utilizing highly experienced personnel allows us to provide effective and efficient services at a cost that represents an exceptional value.

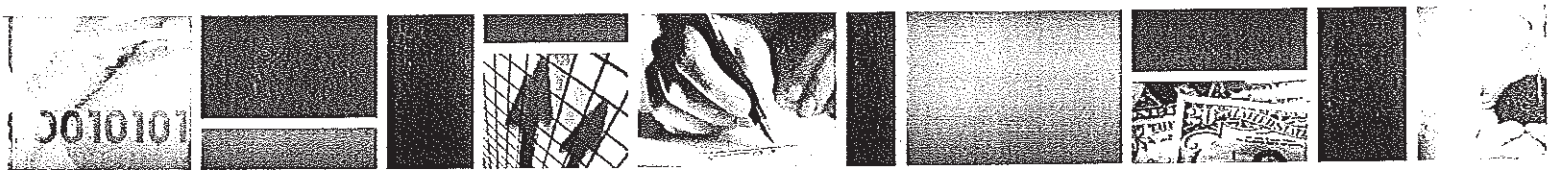
Based upon our prior experience in conducting similar projects, we guarantee that total professional fees for the Classification and Compensation Study Services will not exceed $19,900 if both Alternate Bids 1 and 2 are selected to be conducted concurrently. Proposed fees reflect the total cost for provision of all services described in the proposal's "Work Program and Scope of Services" section, excluding the ad hoc salary evaluations described in Alternate Bid 1 – Step 13. A detailed cost breakdown by project step appears on the following page.

In addition to professional fees, we typically bill clients for direct project out-of-pocket expenses (i.e., travel expenses, overnight mail, printing of private survey results, mileage, etc.); however, CBIZ will absorb these costs and not pass them through to the City. Professional fees will be billed on a monthly basis.

If the volume of work changes substantially due to change in scope we may need to discuss an adjustment in the professional fees documented herein. We do not anticipate that this will occur; however, we would discuss this with you before proceeding and obtain your prior approval.

COST BREAKDOWN

Scope of Services	Not-to-Exceed Fees
Bid 1: Market Analysis and Compensation Plan Update	
Step 1 – Initiate Project	$750.00
Step 2 – Collect and Reconcile Job Data	$250.00
Step 3 – Evaluate Job Documentation	$100.00
Step 4 – Identify Relevant Labor Markets	$250.00
Step 5 – Administer Custom Compensation & Benefits Survey	$4,000.00
Step 6 – Conduct External Market Analysis	$3,000.00
Step 7 – Design or Update Salary Structure(s)	$500.00
Step 8 – Perform Benefits Comparison Assessment	$650.00
Step 9 – Analyze Financial Impact	$500.00
Step 10 – Discuss Draft Recommendations & Internal Equity Adjustments	$500.00
Step 11 - Develop Compensation Procedure Manual and Train Human Resources Staff	$500.00
Step 12 - Present Final Results	$1,000.00
Step 13 – Ongoing Administration	Complimentary*
Total Bid 1 Fees:	**$12,000.00**
Bid 2: Job Description Updates	
Step 1 – Review Job Descriptions	$2,000.00
Step 2 - Fair Labor Standards Act Review	$4,000.00
Step 3 – Job Descriptions Update	$4,000.00
Total Bid 2 Fees:	$10,000.00
Discounted Fees for Selecting Bids 1 and 2**	**$19,900.00**



COST BREAKDOWN

* To assist in the Ongoing Administration of the new compensation system, CBIZ will provide the City annual salary increase and structure update data for up to five years after the completion of the study at no additional charge. Following the completion of the study, the cost of evaluating market-competitive salary based on published survey sources and recommending salary range assignments for new or revised existing positions will be $300 per position. Furthermore, the cost to write job descriptions for new or existing positions after the completion of the study will be $200 per position.
** The proposed fees above do not reflect a la carte pricing. That is, eliminating a project step from the scope of services will not necessarily reduce the total not to exceed fees by the exact amount reported for that step.

SCHEDULE

CBIZ expects the classification and compensation study to last approximately 2.5 months, such that preliminary project results should be delivered by June 1, 2015. The project timeline is highly dependent upon the timely receipt of requested data from the City and the responsiveness of peer municipalities to the custom survey.

The suggested project schedule for each of the proposed project steps appears below.

Month:	Month 1				Month 2				Month 3			
Week:	1	2	3	4	1	2	3	4	1	2	3	4
Bid 1: Market Analysis and Compensation Plan Update												
Step 1 – Initiate Project												
Step 2 – Collect and Reconcile Job Data												
Step 3 – Evaluate Job Documentation												
Step 4 – Identify Relevant Labor Markets												
Step 5 – Administer Custom Compensation & Benefits Survey												
Step 6 – Conduct External Market Analysis												
Step 7 – Design or Update Salary Structure(s)												
Step 8 – Perform Benefits Comparison Assessment												
Step 9 – Analyze Financial Impact												
Step 10 – Discuss Draft Recommendations & Internal Equity Adjustments												
Step 11 - Develop Compensation Procedure Manual and Train Human Resources Staff												
Step 12 - Present Final Results												
Step 13 – Ongoing Administration	5-Year Salary Increase Recommendations & Structure Administration at No Additional Fee											
Bid 2: Job Description Updates												
Step 1 – Review Job Descriptions												
Step 2 - Fair Labor Standards Act Review												
Step 3 – Job Descriptions Update												

ADDITIONAL INFORMATION

Required Exhibits

The following required executed forms appear on the following pages:

- Offer and Schedule of Fees
- Disclosure and Conflict of Interest
- Representations and Certifications
- Affidavit of Participation in Federal Work Authorization Program and E-Verify Electronic Signature Page
- Non-Collusive Affidavit of Prime Bidder

Sample Annual Compensation Update

The following pages also present a sample salary update letter to illustrate the applicability and breadth of the information presented to our clients. To our knowledge, no other firm provides such detailed ongoing support for five years without charging additional fees.

PART FIVE

OFFER AND SCHEDULE OF FEES

The undersigned has thoroughly examined the entire RFP, including all addenda thereto, hereby offer to furnish all services in accordance with the requirements of the Request for Proposal, as described in the proposal attached hereto and incorporated herein.

Total all-inclusive maximum price to perform the Classification and Compensation Study as described herein.	**Lump Sum Fixed Price**
Flat fee for developing grade and step plan	**$12,000** for services as described in the proposal under Alternate bid 1; $300/position for future compensation reviews.
Flat Fee for developing and providing job descriptions and reviews for future new positions' job description.	**$10,000** for services as described in the proposal under Alternate bid 2; $200/position for job description development for future jobs.
Total discounted fees if Bids 1 & 2 are selected to be completed simultaneously.	**$19,900**

Date: ____March 13, 2015_____

Legal Company Name: ____CBIZ Benefits & Insurance Services, Inc. ____

Missouri Business License Number: ____2001033185_____

Signature: _____

Name (Printed): ____Ryan Blackwell_____

Title: ___ Consultant_____

Address: ____625 Maryville Centre Drive, Suite 200_____

City: ____Saint Louis_____

State: ____Missouri_____Zip: _____63141_____

Phone No. ____314-692-5801_____

Email Address: ____rblackwell@cbiz.com_____

Federal Tax ID No.: ____31-1582098_____

EXHIBIT "A"
DISCLOSURE AND CONFLICT OF INTEREST

It is the City's policy to prevent actual, potential, or perceived conflicts of interest with its current and prospective vendors on behalf of its participant. In furtherance of this policy Firms are required to disclose:

1. Political Contribution Disclosure
   All vendors submitting a proposal to this RFP must provide a written disclosure of all political contributions made during the preceding three (3) years to the Mayor and/or City Council member's Campaign.

2. Non-Political Disclosures
   Firm is to disclose the relationship to anyone (spouse, father, mother, son, daughter, or immediate family) holding an elective office within the City of Aurora government: and/or a member of City Staff holding a management position within the City, or holding the positions of City Manager.

   The failure to provide written disclosures of political contributions or solicitations may result in the disqualification of a Firm.

   Firm is to provide any disclosures as a separate attachment.

   If Firm has no political contributions to report, indicate that Firm has no disclosure to report on the bottom of this page.

   These disclosures are not intended to prohibit or prevent any contract. The disclosures are used to fully and publicly disclose any potential conflict of interests.

Firm Name: CBIZ Benefits & Insurance Services, Inc

Signature: [signature]

Print name and title: Ryan Blackwell, Consultant Date: 3/12/15

_____ Attached Disclosures

__X__ I do not have any disclosures to report

EXHIBIT "B"
REPRESENTATIONS AND CERTIFICATIONS

1. If the Firm retains any subcontractors to perform any portion of the services hereunder, then the Firm shall promptly provide notification, in writing, to the City's authorized representative. The Firm shall also disclose the names and addresses of all subcontractors and the expected amount of money each subcontractor will receive under the contract.

2. The firm acknowledges that a description of this Agreement shall be made available, to the public, and that all city contracts, including the name of the firm, the total amount applicable to the Agreement, the total fees paid or to be paid under the Agreement and a disclosure, submitted to the City Council describing the factors that contributed to the selection of the Firm.

3. The firm agrees to provide a full disclosure of direct and indirect fees, commissions, penalties, and other compensation, including reimbursement for expenses, which may be paid by or on behalf of the firm in connection with the provisions of this RFP.

ACKNOWLEDGED:

Firm Name: CBIZ Benefits & Insurance Services, Inc.

Signature: Ryan Blackwell

Print name and title: Ryan Blackwell, Consultant

Date: 3/12/15

EXHIBIT C
AFFIDAVIT OF PARTICIPATION IN A
FEDERAL WORK AUTHORIZATION PROGRAM

Comes now Ryan Blackwell as Consultant first being duly sworn, on my
(Name) (Office held)

Oath, affirm CBIZ Benefits & Insurance Services, Inc. is enrolled and will continue to participate in
(Company Name)
a federal work authorization program in respect to employees that will work in connection with the contracted services related to the services being provided to the City of Aurora for the duration of the contract, if awarded, in accordance with Section 285.530.2 RSMo. I also affirm that CBIZ Benefits & Insurance Services, Inc. does not and will not knowingly employ a person who is
(Company Name)
An unauthorized alien in connection with the contracted services for the duration of the contract, if awarded.

(Attach Documentation showing that company participated in a Federal Work Authorization Program)

In Affirmation thereof, the facts stated above are true and correct. The undersigned understands that false statements made in this filing are subject to the penalties provided under Section 575.404 RSMo.

Signature of person in authority

Ryan Blackwell
Printed Name

Consultant
Title

3/13/15
Date

State of Missouri
County of St Charles

Subscribed and sworn to before me this 13th day of March, 2015.

May Commission expires: May 17, 2017

Lisa R Barringer

NOTARY PUBLIC NOTARY SEAL STATE OF MISSOURI

LISA R. BARRINGER
My Commission Expires
May 17, 2017
St. Charles County
Commission #13713015

EXHIBIT "C"

Guidelines and Instructions to Bidders/Vendors

Effective January 1, 2009 and pursuant to the State of Missouri's RSMo 285.530 (1), no business entity or employer shall knowingly employ, hire for employment, or continue to employ an unauthorized alien to perform work within the State of Missouri.

As a condition for the award of any contract or grant in excess pf five thousand dollar by the state or by any political subdivision of the state to a business entity, the business entity (Company shall, by sworn affidavit and provision of documentation, affirm its enrollment and participation in a federal work authorization program with respect to the employees working in connection with the contracted services. Every such business entity shall sign an affidavit affirming that it does not knowingly employ any person who is an unauthorized alien in connection with the contracted services. RSMo 285.530 (2)

RSMo 285.530 pertains to all solicitations for services over $5,000. RSMo 285.530 does not apply to solicitations for goods only. If a solicitation is for goods, RSMo 285.530 applies if the services portion of the solicitation is over $5,000. The City of Aurora requires the following bid and contract documents.

1. Firm shall comply with the provisions of Section 285.525 through 285.550 RSMo. Contract award is contingent on company providing an acceptable notarized affidavit stating:

    a. that company is enrolled in and participates in a federal work authorization program with respect to the employees working in connection with the contracted services: and
    b. that company does not knowingly employ any person who is an unauthorized alien in connection with the contracted services.

2. Additionally, company must provide documentation evidencing current enrollment in a federal work authorization program (e.g. electronic signature page from E-Verify program's Memo of Understanding (MOU).

The City of Aurora encourages companies that are not already enrolled and participating in a federal work authorization program to do so. Information is available at http://www.dhs.gov/xprevprot/programs/gc 1185221678150.shtm or by calling 1-888-464-4218.

E-Verify

Company ID Number: 20292
Client Company ID Number: 239049

THE E-VERIFY PROGRAM FOR EMPLOYMENT VERIFICATION MEMORANDUM OF UNDERSTANDING FOR EMPLOYERS USING A DESIGNATED AGENT

ARTICLE I

PURPOSE AND AUTHORITY

This Memorandum of Understanding (MOU) sets forth the points of agreement between the Department of Homeland Security (DHS), **CBIZ, Inc** (Employer), and **Justifacts Credential Verification, Inc.** (Designated Agent) regarding the Employer's and Designated Agent's participation in the Employment Eligibility Verification Program (E-Verify). This MOU explains certain features of the E-Verify program and enumerates specific responsibilities of DHS, the Social Security Administration (SSA), the Employer, and the Designated Agent. References to the Employer include the Designated Agent when acting on behalf of the Employer. E-Verify is a program that electronically confirms an employee's eligibility to work in the United States after completion of the Employment Eligibility Verification Form (Form I-9). For covered government contractors, E-Verify is used to verify the employment eligibility of all newly hired employees and all existing employees assigned to Federal contracts.

Authority for the E-Verify program is found in Title IV, Subtitle A, of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (IIRIRA), Pub. L. 104-208, 110 Stat. 3009, as amended (8 U.S.C. § 1324a note). Authority for use of the E-Verify program by Federal contractors and subcontractors covered by the terms of Subpart 22.18, "Employment Eligibility Verification", of the Federal Acquisition Regulation (FAR) (hereinafter referred to in this MOU as a "Federal contractor") to verify the employment eligibility of certain employees working on Federal contracts is also found in Subpart 22.18 and in Executive Order 12989, as amended.

ARTICLE II

FUNCTIONS TO BE PERFORMED

A. RESPONSIBILITIES OF SSA

1. SSA agrees to provide the Employer (through the Designated Agent) with available information that will allow the Employer to confirm the accuracy of Social Security Numbers provided by all employees verified under this MOU and the employment authorization of U.S. citizens.

2. SSA agrees to provide the Employer and Designated Agent appropriate assistance with operational problems that may arise during the Employer's participation in E-Verify. SSA agrees to provide the Designated Agent with names, titles, addresses, and telephone numbers of SSA representatives to be contacted during the E-Verify process.

E-Verify

Company ID Number: 20392
Client Company ID Number: 230549

Approved by:

Employer: CBIZ, Inc

Name (Please Type or Print) Title: President / CEO

Signature Date: 8-26-09

Designated Agent: Justifacts Credential Verification, Inc.

Andrew Yoder
Name (Please Type or Print) Title

Electronically Signed
Signature Date: 08/19/2009

Department of Homeland Security – Verification Division

Rebecca K. Green Title: Deputy Chief, E-Verify
Name (Please Type or Print)

Rebecca K. Green
Signature Date: 8/20/09

EXHIBIT E
NON-COLLUSIVE AFFIDAVIT OF PRIME BIDDER

State of Missouri

County of St. Louis

Ryan Blackwell, being first duly sworn, deposes and says that:

1. He is the owner, partner, officer, representative or agent of CBIZ Benefits & Insurance Services, Inc., the Bidder that has submitted the attached Bid;

2. He is fully informed respecting the preparation and contents of the attached Bid and of all pertinent circumstances respecting such Bid;

3. Such Bid is genuine and is not a collusive or sham bid; and that all statements made and facts set forth in the bid are true and correct;

4. Neither the said Bidder not any of its officer, partner, owners, agents, representatives, employees, or parties in interest including this affidavit, has in any way colluded, considered, connived, or agreed, directly or indirectly with any other Bidder, firm, or person, to submit a sham for bid in connection with the Contract for which the attached bid has been submitted or to refrain from bidding in connection with such Contract; or has in any manner, directly or indirectly, sought by agreement or collusion or communication or conference with any other Bidder, firm or person to fix the price or prices in the attached Bid or of any other Bidder, ot to fix the overhead, profit or cost element of the Bid price of the other Bidder, or to secure through any collusion, conspiracy, connivance, or unlawful agreement any advantage against the City of Aurora or any person interested in the Proposed Contract.

5. The price or prices quoted in the attached Bid are fair and proper, and are not tainted by any collusion, conspiracy, connivance, or unlawful agreement on the part of the Bidder or any of its agents, representative, owners, employees, or parties in interest, including this affidavit; and

6. He further certified that Bidder is not financially interested in or financially affiliated with any other Bidder on this project.

Signed Ryan Blackwell

Title Consultant

Subscribed and sworn to before me this 13th day of March, 2015.

My Commission expires: May 17, 2017 Lisa R Barringer

NOTARY PUBLIC NOTARY SEAL STATE OF MISSOURI

LISA R. BARRINGER
My Commission Expires
May 17, 2017
St. Charles County
Commission #13713015

CBIZ HUMAN CAPITAL SERVICES

2014-2015 Compensation Update

PREPARED EXCLUSIVELY FOR:

XYZ Organization

625 Maryville Centre Drive, Suite 200 | St. Louis, MO 63141 | Phone: 800-844-4510 | Fax: 314-692-4222

In recent years, maintaining status quo has become the dominant activity for many organizations when it comes to compensation practices. While many metrics suggest that the economy is continuing to improve, employers are holding the rate of salary growth steady. Other pay-related topics at the forefront of employers, legislators and the general public include minimum wage, the Affordable Care Act ("ACA"), employee wellness and executive compensation trends.

This article contains CBIZ Human Capital Services' observations of recent trends in base salary and salary structure adjustments, incentive pay and benefits. Our goal is to update organizations on market developments in an effort to assist them in remaining competitive in this post-recession era.

Base Salary Increase Percentages and Salary Structure Adjustment Factors

In recognition of our clients' needs and recent requests for assistance, CBIZ has released a proprietary software program that provides enhanced functionality with respect to compensation plan administration and maintenance, including market analysis, salary structure adjustments, job description development and reporting. Please contact CBIZ for more information.

The two tables included in this section provide salary adjustment information that will allow you to update your organization's base salary compensation system. The table directly below contains actual 2014 and projected 2015 salary increase percentages for all organizations in the central region as well as those in the consulting, professional, scientific, and technical services industry.

Salary Increases		
Central Region - All Orgs/ (Consulting, Professional, Scientific, and Technical Services)	Actual 2014	Projected 2015
Non-Exempt	2.9%	3.0%
	(3.0%)	(3.1%)
Exempt	3.0%	3.1%
	(3.1%)	(3.2%)
Officers/Executives	3.0%	3.1%
	(3.0%)	(3.3%)

Source: 2014-15 WorldatWork Salary Budget Survey

As shown above, average salary increases are forecasted to be just slightly higher in 2015 than they were in 2014. This is a general trend that has been observed for the past three years. Several key US locations and industries are experiencing above average pay increases, but the broad labor market is expecting an average increase only 0.1% higher than that of 2014.

Nonetheless, there are several minor differences in current salary practices versus prior post-recession years. Salary increase budgets have become more consistent across the labor market; that is, there are far fewer organizations that are freezing salaries as well as those that are budgeting significantly higher-than-average increases. There is also has renewed commitment to market-based pay programs and compensation philosophies. More organizations than in recent years are providing specific salary adjustments to realign pay with market-competitive levels and nearly one-third of organizations have resumed setting pay levels above the market median (up from just 14% in 2010), as reported by WorldatWork.

The following table contains salary structure adjustment information. It provides actual 2014 adjustments as well as projected adjustments for 2015 for similarly-situated organizations.

Salary Structure Adjustments		
Central Region - All Orgs/ (Consulting, Professional, Scientific, and Technical Services)	Actual 2014	Projected 2015
Non-Exempt	1.8%	2.1%
	(1.7%)	(2.0%)
Exempt	1.9%	2.1%
	(2.0%)	(1.9%)
Officers/Executives	1.9%	2.0%
	(1.8%)	(1.7%)

Source: 2014-15 WorldatWork Salary Budget Survey

Following the same pattern as salary increase budgets, the projected 2015 structure adjustments are just slightly higher than the actual 2014 adjustments observed.

Interestingly, both the actual 2014 salary increases and structure adjustments are well-aligned with the 2014 projections reported one year ago. This may suggest that organizations are more in sync with economic influences and overall business performance, both of which affect employee pay, than in prior years. From 2011 through 2013, the actual results showed that employers were slightly too optimistic in their projected increases.

Annual Incentives

As has been the case since 2010, variable pay continues to steadily grow in prevalence among US organizations. Today, more than 80% of US organizations have at least one variable pay program in place. As evidence of improvements in corporate performance, bonus payments in 2013 and 2014 were well-aligned with target levels, as opposed to earlier years following the recession, in which bonuses fell short. According to

WorldatWork, the projected average payout to bonus-eligible employees is 9.1% and 37.4% for non-executives and executives, respectively.

Most formal incentive plans continue to reflect a balance between corporate, team and individual goals. However, nearly one-third of organizations reportedly have a profit-sharing program or a similar plan based on organization-wide performance.

Discretionary incentive plans are also becoming increasingly common. In particular, retention bonuses and spot bonuses have gained considerable traction since 2010. Given a number of surveys indicate that three to five out of every ten American workers are dissatisfied with their current jobs and may seek other employment, it is not surprising that organizations may look to other rewards to motivate and retain key employees. Economic progress and renewed hiring efforts underscore the need for recognition programs as well.

It is worth noting that non-cash recognition programs appear to have reached equilibrium levels. The prevalence of equity grants to general employees has remained unchanged since 2013 as is true for non-monetary rewards (e.g., special lunches, parking spots, contest eligibility, etc.), although the latter remains a program used by more than half of organizations.

Benefits

The ACA continues to be a primary topic of interest and concern among American businesses and workers. The 2015 open enrollment period for the public health insurance marketplaces ends on February 15, 2015. The Department of Health & Human Services has projected that up to 9.9 million individuals will be enrolled, which is significantly less than the 13 million estimate the Congressional Budget Office suggested in mid-2014.

Beginning in 2015, employers with over 100 employees must offer "minimum essential coverage" that is affordable to employees to comply with ACA or be subject to penalties. This mandate extends to employers at least 50 employees in 2016. In general, penalties will be assessed on an employer only if one or more employees purchase healthcare coverage on a public marketplace and are eligible for a federal premium subsidy (due to unavailable or unaffordable employer-sponsored health insurance of minimum value).

In light of rising healthcare costs, the employer mandate and other market trends, many organizations are evaluating various employee benefit features, including:

- Measurement of Employee Hours Worked
  Under ACA, employees who work 30 or more hours per week, on average, are classified as full-time employees and must be offered health insurance. Accordingly, it is critical that workers' hours are measured accurately over an appropriate time period in order to identify eligible employees. Similarly, for organizations that may fall near the Applicable Large Employer threshold, it is important that the full-time equivalent count is up-to-date.

- Spousal Coverage
  In order to avoid penalties, health insurance coverage must be offered to full-time employees and their dependents up to age 26. However, in this case, an employee's spouse is not a dependent. Some organizations have chosen not to offer insurance to workers' spouses or have passed the cost of spousal coverage through to employees.

- Private Exchange
  A number of large health insurance companies and benefits consulting firms have established private exchanges in order to give employers an alternative approach to providing medical coverage to employees. Workers would receive a credit or subsidy from their employer which could be used toward purchasing insurance through a private benefits exchange. To date, only a small percentage of organizations have migrated to private exchanges.

- Wellness
  Although there is little longitudinal data indicating insurance cost reductions through wellness programs, employee health continues to gain significance in the workplace. Wellness activities are increasingly focused on employee engagement and involvement. As a result, a growing number of organizations are offering programs and incentives for employees' health-related efforts and personal goals rather than specific metrics. Additionally, wellness programs tend to rely on self-reporting from employees, at least in early phases, and team orientation. In doing so, wellness becomes part of organizational cultural.

Minimum Wage

It is common knowledge that the Obama Administration supports raising the federal minimum wage to $10.10 per hour. This initiative is part of a broader push for income equality that also supports the enforcement of pay equity across gender and race.

In the meantime, many states and municipalities have taken proactively increased the minimum range for their residents. More than half of states have a minimum wage that exceeds the federal level, ranging from $7.50 to $9.47 per hour. Notably, SeaTac, Washington increased the hourly minimum wage to $15.00 per hour last year, and beginning in April, Seattle will implement a six-year plan to increase its minimum wage to the same level. SeaTac's ordinance has affected approximately 1,500 workers and little impact to workers or businesses has been reported.

Pew Research Center estimates that 24 million American workers receive hourly wages of less than $10.10, and fewer than 15% of these earn $7.25. It is suggested that salary inflation may occur to alleviate compression among workers should the minimum wage dramatically increase. However, given the composition of the 114th Congress, it is not probable that significant adjustments will be made to the federal minimum wage in the near-term.

Executive Compensation Trends

For publicly-traded US companies, the "say on pay" policy is entering its fifth proxy season. Past years have shown that shareholders are overwhelmingly satisfied with executive compensation packages. In 2014, only 66 companies out of 3,422 (less than 2%) failed the vote, with a majority of shareholders voting against executive pay. Among companies with passing votes, the average percentage of "for" votes was 91%, suggesting that there are relatively few close calls.

While the say on pay vote continues to be non-binding, there is clear evidence that companies respond to failing votes. Many seek to restructure compensation packages as shareholders have moved to voting directors off the board or, at minimum, off the compensation committee if change does not ensue. Only two companies have failed the vote every year since 2011.

The second pay-related prominent rule to be established as a result of the Dodd-Frank Act is the CEO-to-worker pay ratio. The Securities and Exchange Commission ("SEC ") published a proposed rule on the ratio over one year ago; however, after a lengthy commentary period, during which over 20,000 letters were received, there has been little progress toward finalizing the rule. The complications highlighted several years ago continue to be the likely cause of the stagnation; namely, there is confusion as to how and if to include part-time employees, international employees and contractors in the calculations and how to calculate the value of equity grants to top executives.

Congress has set no deadline for compliance with this provision of the Dodd-Frank Act, and it is speculated that the SEC's rule may give companies some degree of flexibility with regard to determining the median worker pay level. Estimates for the CEO-to-worker ratio in 2013 range from 296:1 to 331:1 among the largest 350 US publicly-traded companies.

Among privately-held companies and non-profit organizations, as well as publicly-traded companies, executive motivation and retention remains a key objective. While this often results in grants of options or restricted stock in a publicly-traded environment, other forms of long-term incentive compensation is more prevalent for other organizations.

Deferred compensation programs and other cash-based long-term incentives are gaining popularity among non-publicly-traded organizations. Deferral amounts vary widely; for example, some organizations may provide a payment to account for IRS contribution or benefit limits, and other organizations may determine other compensation levels. Likewise, vesting schedules differ; three to five years is relatively prevalent, but many non-profit organizations establish programs that are paid out upon retirement.

Conclusion

Current observations in compensation practices suggest that many organizations are not pursuing significant changes from prior recent years. The projected salary increase and structure adjustment percentages for 2015 remain very close to those of 2014. Meanwhile, there is greater growth in wages for workers at the lowest and highest ends of the pay spectrum. Variable pay practices continue to be very prevalent as pay-for-performance and transparency remain strong objectives in compensation plans. Employers must be more vigilant than ever before in ensuring healthcare benefits are compliant with ACA and that programs remain effective for their workers.

If you have questions about the latest trends or how the current and forecasted economic conditions can or should impact your compensation decisions, please contact Amber Duncan, CBIZ's Manager of Compensation Consulting (800-844-4510, ext. 295, or alduncan@cbiz.com).

CBIZ Human Capital Services is a business and financial advisory firm providing a vast array of services, including compensation consulting. Our professionals perform compensation valuations on a regular basis and are qualified to provide such.

Mercer Proposal

MERCER

TALENT • HEALTH • RETIREMENT • INVESTMENTS

COMPENSATION AND CLASSIFICATION STUDY
CITY OF AURORA PROPOSAL

MARCH 12, 2015

Jason Stewart
Principal
Houston

MARSH & McLENNAN COMPANIES

Table of Contents

Section 1	Introduction
Section 2	Executive Summary
Section 3	Description of Work Program and Scope of Services
Section 4	Qualifications and Experience
Section 5	Proposed Fees
Section 6	Timing
Section 7	The Mercer Advantage

Section 1

INTRODUCTION

Introduction

Mercer (US) Inc. ("Mercer") is pleased to submit a proposal to the City of Aurora ("the City") in response to the RFP for "Classification and Compensation Study Services."

It is our understanding that the City is currently evaluating consultants to conduct a market compensation study. The objectives of the City are to:

- Develop a list of communities (or a peer group) comparable to the City of Aurora.
- Conduct a survey of total compensation levels (base salary and benefits) in the peer group.
- Create a salary range for each city position based on the results of the study.

Additional services sought include a grade and step plan similar to the City of Aurora's current plan, and a review of job descriptions to ensure compliance with applicable state and federal employment laws.

Based on our understanding of the study and assumptions detailed in this response, we expect the consulting fees to be approximately $60,000 (depending on alternative options), and the timeframe is estimated to be between 12 and 14 weeks.

Thank you for considering Mercer for this important work. We believe that the combination of our talented team, collective expertise, and access to the right market data makes Mercer's potential relationship with the City a great fit.

If you have any questions, please do not hesitate to contact me at 713-276-2260

Sincerely,

Jason Stewart

Principal

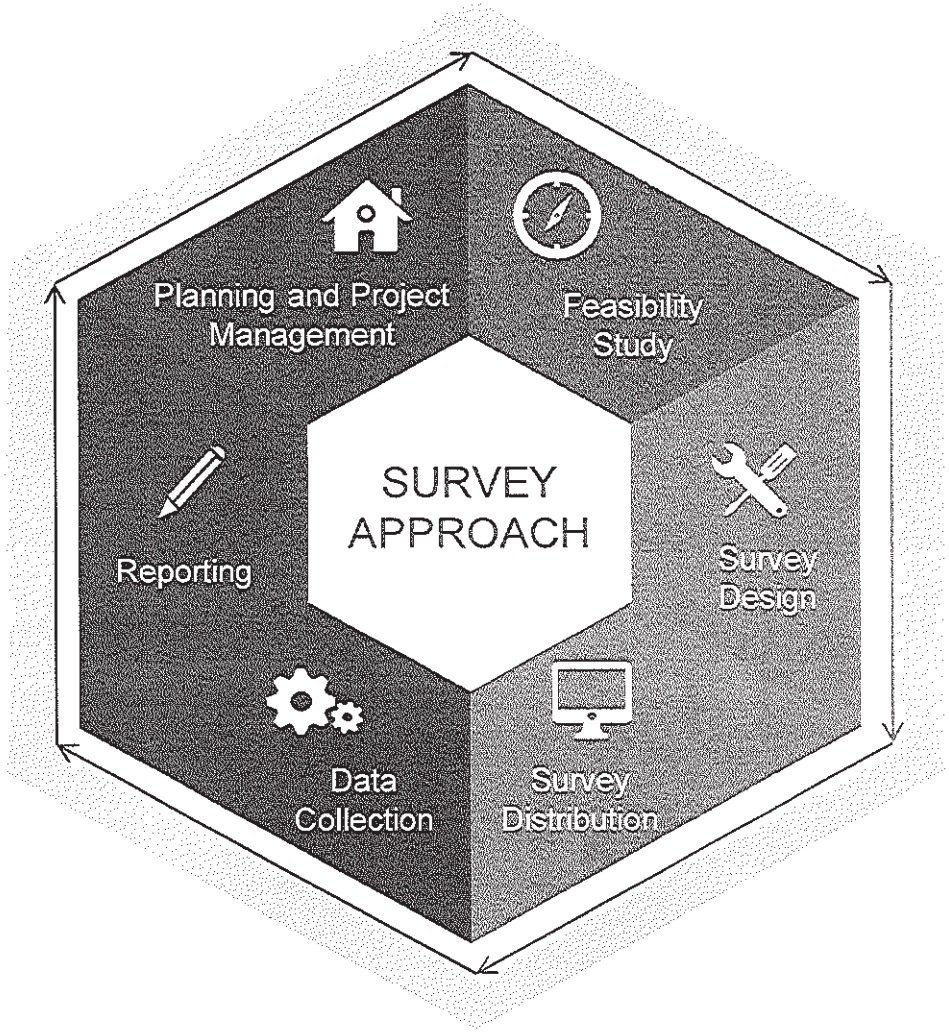
500 Dallas St, Suite 1400, Houston, TX 77002

Section 2

EXECUTIVE SUMMARY

Executive Summary
Overview of Services

- Mercer's proven methodologies and processes allow us to conduct the survey efficiently and effectively while providing high-quality, relevant results.
- Based on our understanding of the request and related assumptions, we expect the project to be completed in approximately 12 to 14 weeks at an estimated cost of $60,000.
- Mercer's project management framework will be utilized throughout the project, and update meetings will be scheduled with the City Project Team on a regular basis.



Section 3

DESCRIPTION OF WORK PROGRAM AND SCOPE OF SERVICES

Description of Work Program and Scope of Services

PLANNING AND PROJECT MANAGEMENT	FEASIBILITY STUDY	SURVEY DESIGN
Week 1 – Week 2	Week 2 – Week 4	Week 4 – Week 6
▪ Discuss business rationale for survey and define successful outcome ▪ Confirm project scope, timeline, and deliverables ▪ Confirm confidentiality guidelines ▪ Finalize positions to be surveyed ▪ Develop a list of up to 20 potential survey participants ▪ Develop appropriate marketing strategy	▪ Prepare marketing email outlining nature of survey and benefits of participation ▪ Distribute marketing email to potential participants, seeking confirmation of intent to participate ▪ Follow-up via email and phone - two weeks ▪ **Decision point** ▶ Project team makes a "Go" or "No-go" decision based on intent to participate responses potentials	▪ Review job documentation for the positions to be surveyed ▪ Develop role profiles for each position ▪ Outline survey questionnaire instructions and data definitions ▪ Prepare an Excel data collection spreadsheet ▪ Obtain project team input and approval
STAGE OUTCOME		
▪ Common understanding of project scope ▪ List of potential survey participants ▪ Survey marketing strategy	▪ Mutual Go/No-go decision based on outcome of feasibility study	▪ Job catalog of survey positions ▪ Survey questionnaire ▪ Data collection templates

Description of Work Program and Scope of Services (cont.)

SURVEY DISTRIBUTION	DATA COLLECTION	REPORTING
Week 6 – Week 10	Week 9 – Week 12	Week 12 – Week 14

▪ Distribute survey questionnaire to potential participants via email
▪ Follow up to boost participation:
  ▪ Email and phone follow-up for all targeted participants, as necessary
  ▪ Provide periodic update to project team on participation levels
	▪ Review and verify each organization's data submission
	▪ Review and verify aggregate data by position for all organizations
	▪ Perform and verify statistical analyses for all organizations
		▪ Roll up and compile all survey data
		▪ Develop and audit report
		▪ Gain project team approval to finalize the report
		▪ Deliver survey results in agreed upon methodology, including side-by-side analysis: Aurora vs. Market
		▪ Follow up meeting with project team to address any questions

STAGE OUTCOME		
▪ Preliminary stats on participation	▪ Clean data set ▪ Survey analytics	▪ Final survey report ▪ Side-by-side analysis of Aurora vs. Market

Alternate Bid 1
Salary Structure Creation

Objective	• Develop a grade and step plan similar to the current City structure
Activities	• Develop ranges based on data collected via our custom survey • Model costing impact analysis of the salary structures - Identify employees paid above the maximum or below the minimum of the grade - Determine compa ratios and cost to bring employees to market
Deliverables	• Revised salary structure • Cost implications by employee • Governance recommendations
Estimated Cost	• $5,000

Alternate Bid 2
Review Job Descriptions

Objective	• Review job descriptions for state and federal compliance
Activities	• Meet with HR stakeholders to discuss job documentation and prioritization of job review (high risk versus low risk) • Collect job documentation and conduct a high-level review for up to 30 jobs • Develop a job description guidelines for future use
Deliverables	• Recommendations on updates to existing job documentation • Job description guidelines
Estimated Cost	• $10,000

Section 4

QUALIFICATIONS AND EXPERIENCE

Mercer
A Global Consulting Leader

Mercer helps clients around the world advance the health, wealth, and performance of their most vital asset — their people.

MERCER: A QUICK LOOK

- $4.2 billion in revenue (2013)
  - 65-year history
- offices in more than 40 countries
  - 19,000+ colleagues
  - #1 in HR Consulting

OUR CLIENTS

- 80% of top US public companies
  - 70% of FTSE 100 companies
  - 70% of CAC 40 companies
  - 65% of Nikkei 225 companies
- 80% of clients <5,000 employees

HR CONSULTING FIRM RANKINGS 2015

1. **Mercer LLC**
2. Towers Watson
3. Aon Hewitt
4. Deloitte Consulting LLP
5. Hay Group
6. McKinsey & Company
7. Accenture
8. The Boston Consulting Group, Inc.
9. PwC LLP
10. Oliver Wyman

Source: Vault.com

Custom Survey Expertise
Mercer's Value Proposition

40

years providing benchmarking services

20

dedicated teams of industry experts

1,000+

benefits benchmarking clients

200

custom benchmarking projects a year

Mercer's Talent Business
Breadth of Services

FORECAST	ENGAGE	MOBILIZE	REWARD	ASSESS	DEVELOP
Ensure that the right people are in the right jobs, at the right location, at the right price, at the right time.	Inspire and align people, ensuring that change is embraced and strategic business drivers are understood.	Fulfill strategic business requirements by proactively managing the relocation, up skilling, and retooling of key talent.	Design and implement executive and workforce rewards programs to secure key talent, enhance business performance, and withstand external scrutiny.	Evaluate the performance, readiness, potential, and job fit of your key talent and the flow of talent into, through, and out of an organization.	Enhance leader and manager capability to motivate employees, influence career decisions, champion talent management, and shape an organization's culture.

EXAMPLE CONSULTING, INFORMATION, AND TECHNOLOGY SOLUTIONS

FORECAST	ENGAGE	MOBILIZE	REWARD	ASSESS	DEVELOP
• Business Impact Modeling. • Mercer Analytics™. • Strategic Workforce Planning. • Workforce Metrics Benchmarks Reports.	• Employee Communication. • Online Total Rewards™. • Organization Transformation. • Widgets, apps, and videos.	• Career Frameworks. • Cost of Living. • Mercer Mobilize Housing Solution™. • Mobility Consulting Services.	• Executive Rewards. • Executive / Total Remuneration Surveys. • Mercer WIN | ePRISM™. • Workforce Rewards.	• Mercer 360™. • Performance Management. • Talent Assessment. • Virtual Assessment Centers.	• HR Effectiveness. • Human Capital Connect®. • Mercer Select Global Insights Report. • Talent Development.

Project List

Mercer has completed over 120 public sector Talent and Rewards projects in the past two years. A partial client list is included below:

Alabama Housing Finance Authority	Corporation of The Town of Richmond Hill	Ohio Public Employees Retirement System
Alberta Utilities Commission	County of Maricopa	Ouje-Bougoumou Eenuch Association
Auditor General of Alberta	County of Orange	Pasadena Blue Line
Bermuda Monetary Authority	Department of Administrative Services	Quinault Indian Nation
British Columbia Assessment Authority	Department of State	Regional Municipality of Niagara, The
Canadian Air Transport Security Authority	Florida State Board of Administration	South Dakota Department of Human Services
City of Beverly Hills	Foreign Affairs, Trade and Development	State of Arizona Department of Administration
City of Charlotte	Georgia Division of Investment Services	State of North Carolina
City of Edmonton	Georgia office of Treasury and Fiscal Svcs	State of Tennessee
City of Ottawa (Canada)	Government of Ontario	The City of Burlington
City of Regina	Government of Saskatchewan - Personnel Policy Secretariat	The Georgia Ports Authority
City of Tacoma	Hydro-Québec	The Regional Municipality of Durham
City of Thomasville	Illinois State Police	The Regional Municipality of Halton
Corp of the City of London	Infrastructure Ontario	The Regional Municipality of Peel
Corporation of The City of Mississauga	Mashantucket Pequot Tribal Nation	The Regional Municipality of York
Corporation of the City of Niagara Falls	Massachusetts Convention Center Authority	Treasury Board Secretariat (Ontario)
Corporation of the City of Vaughan	National Energy Board	Treasury Board Secretariat of Canada
Corporation of The Town of Milton	Natl Renewable Energy Lab	UVA Investment Management Company
Corporation of The Town of Oakville		

Section 5

COST BREAKDOWN

Estimated Cost of Services

Phase	Assumptions	Estimated Fees
Project Kick-off and Information Gathering	• Data and information gathering completed by City of Aurora and all reviewed by Mercer	$10,000
Custom Benchmarking	• Up to 20 city comparisons • Up to 30 unique jobs	$35,000
Salary Structure Creation	• One (1) round of revisions	$5,000
Job Description Review	• Review of up to 30 unique jobs	$10,000
	Total Estimated Professional Fees	**$60,000**

Note: *The fees are estimates based on Mercer's assumptions and the time required to complete all activities. We will review these with The City of Aurora to ensure our assumptions are correct.*

Section 6

SCHEDULE

Schedule

- Please refer to Section 3 (Description of Work Program and Scope of Services) for a proposed work schedule
- Mercer would develop a more detailed project plan with key stakeholders during the informational meeting and/or kick-off meeting. We would make adjustments based on this discussion and provided any impact to timing and/or fees.

Section 7

ADDITIONAL INFORMATION

Team Bios

Jason Stewart, Principal

Jason Stewart is a Principal in Mercer's Talent business in Houston. Jason works with clients on a variety of compensation and talent management initiatives, including total reward strategy design, competitive market assessment, job evaluation, pay structure development, job architecture, workforce analytics, and FLSA compliance. He has worked with numerous higher education and health care clients on re-designing their compensation programs and improving HR service delivery.

Before joining Mercer, Jason was a Senior Consultant in Deloitte's Houston office, where he was responsible for leading the day-to-day activities on broad-based and executive compensation projects across multiple sectors including energy and healthcare. Prior to engaging in consulting, Jason served as a Research Associate in the Research and Accountability Office at the Houston Independent School District.

Jason received a BA in Psychology and an MA in Sociology from the University of Houston, and holds a law degree from South Texas College of Law. He is a member of WorldatWork and is a frequent speaker at industry association events.

Mark Gulyassy, Principal

Mark Gulyassy is the Houston Office Talent Business Leader and Principal in the Central Market of Mercer. He is responsible for driving overall Houston Talent growth, ensuring client service excellence, and strengthening the Mercer brand in the local market.

Mark provides compensation consulting services to senior management across various industries, including benchmarking of pay and benefits, performance management, HR enabling technologies and governance. Additionally, he develops compensation strategies, philosophies and programs that address clients' attraction and retention needs. Previous consulting assignments span across the following industries: all sectors of oil and gas, utilities, energy services, drilling, engineering, financial services and healthcare industries.

Mark has almost 15 years of corporate and consulting leadership experience. He also worked in corporate compensation management functions for global employers in the energy services, financial services and drilling industries. Prior to joining Mercer, he led the global compensation function for Transocean.

Mark earned his Bachelor of Business Administration degree with an emphasis on human resource management and communications from Baylor University.

MERCER

Dr. Jim Kaatz
Proposal

Classification and Compensation Study

Proposed To

City of Aurora, Missouri

By

James B. Kaatz, MPA, Ph.D

March 16, 2015

James B. Kaatz, MPA, Ph.D

1426 W. Maplewood Avenue

Springfield, MO, 65807

(417) 619-5079

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City of Aurora

2 W. Pleasant

P.O. Box 30

Aurora, MO 65605

Dear City Officials,

I am pleased to present the attached proposal to the City of Aurora for the completion of a classification and compensation study. Looking back over my records, the current system in use by the city was put in place by me in 2004. It is definitely time for an update.

It is my understanding that the proposed study consists of two components. The first of these is development of a step and grade pay plan. The second of these is for the review and revision of the job descriptions for all city job titles. Furthermore, these components are to be completed for one all-inclusive, lump sum price.

All terms and conditions of the proposal and contract are agreeable and acceptable to me. However, since I am completing all aspects of this project as an individual consultant, I have no employees or tax identification number. I do have proof of my own citizenship in the form of both a birth certificate and current United States passport. I have included a copy of the passport in place of the e-verify documentation. I have also included my social security number in place of the federal tax I.D. and Missouri business license numbers in Part 5 of this proposal.

The time of completion of the study will be followed and my offer under this proposal is valid for 90 days.

Thank you for the opportunity to respond to your request for proposal. You may contact me at (417) 619-5079 or jimkaatz@outlook.com. I look forward to working with the city.

Sincerely,

James B. Kaatz MPA, Ph.D

1426 W. Maplewood

Springfield, MO 65807

Proposal for a Personnel and Compensation System
City of Aurora, Missouri

by

James B. Kaatz, MPA, Ph.D

Section 2, Executive Summary

Dr. James Kaatz works to develop imaginative and innovative solutions in public administration. He works with municipalities throughout Missouri, providing technical assistance, education, and training. His dedication to professional, customized services is based on the desire to help elected officials and professional staff meet a growing challenge – balancing the desire to provide more services with the availability of fewer resources. He is committed to making local government in Missouri more effective and efficient in all areas of municipal operations and management.

Dr. Kaatz lives and works in Springfield, Missouri. Proposed work for updating the job descriptions will be done both on-site in Aurora and in his home office. Proposed work for development of the compensation plan will take place primarily at his home office, with meetings scheduled on-site in Aurora. All work will be completed by Dr. Kaatz.

The personnel system under which Aurora currently operates was created by Dr. Kaatz while he was consulting under the name of Government Management Services (GMS) in 2004. Therefore, modifying will be relatively easy as the basic system is already in place. The following is a brief description of the project.

Dr. Kaatz will interview all available employees individually or in groups when more than one person has the same job title. The current descriptions will be the basis for discussion at these meetings with necessary changes being made to bring them current. Analysis for ADA and FLSA compliance will be made only after the descriptions have been modified.

A salary survey of 10 comparable cities will be completed with responses from a minimum of 8 cities being the target for comparisons. Data will be graphed and median minimum and maximum salaries for each position determined. Salary ranges will be primarily based upon median starting or minimum salaries. However, median maximum salaries will also be determined as a check on the ranges created.

Job evaluation will also be implemented as a means to check internal equity among jobs. While job evaluation results will not be used in determining salaries for most positions, it will be used as one method of setting salaries for comparable positions when grade placement is not clear from the salary survey data.

Dr. Kaatz will prepare a revised step and grade pay system using the external survey data, job evaluation data, and the system currently in place. Performance appraisals currently being used by the city will be evaluated and/or appraisals already created by Dr. Kaatz can be adopted. Performance appraisal work is optional and given to the City at no additional cost.

The final report will be presented by Dr. Kaatz to the City Council in late May to early June, depending on open meeting dates.

The proposed work will be completed by June 1, 2015 under a fixed price contract. Alternative Bid #1 for completion of the compensation plan is priced at $3,750. Alternative Bid #2 for review and updating job descriptions is priced at $3,600.

Section 3, Description of Work Program and Scope of Services

Review Job Descriptions

We ask that the City provide Dr. Kaatz with copies of the current job descriptions. Job descriptions will be reviewed in advance by employees and modified in meetings with Dr. Kaatz. The job descriptions will then be updated and their format reviewed for compliance with appropriate state and federal regulations such as ADA and FLSA. Dr. Kaatz will then forward the modified descriptions to appropriate city staff for review to confirm that they accurately reflect work being completed by City's employees.

Ensure Internal Equity

Job evaluation is used to measure internal equity within an organization, and determines how positions should be "ranked" within the organization. It is used to assist with distinguishing separate positions within the same job (such as Maintenance Worker I and II). Another use of job evaluation data is to see if positions in different departments that share the same job title (such as Administrative Secretary) should be paid at the same wage rate. The ranking is based upon compensable factors taken from the job descriptions, and are found primarily in the Job Context, Education and Experience, and Knowledge, Skills and Abilities sections of a job description.

Evaluate job descriptions

The job evaluation process is completed primarily by three representative groups of employees: Department directors, Mid-level managers, and "Rank-and-file" employees. Each group consists of five employees, and all City departments are to be represented. **The City is responsible for choosing which employees are to participate in the evaluation process.** Each group meets separately, but at the same time, so that there is no chance for group members to interact with others outside their own group during the evaluation process. This eliminates the potential for cross-contamination of the evaluation data – no comparisons are made between the groups while the groups are still ranking the descriptions.

Rank positions using point-factor analysis

In the evaluation process, each job description is worth a possible 1,000 points, based on various compensable factors: Education, Experience, Supervisory Authority, Independence of Action, Personal Hazards, Physical Demands, and Working Conditions. **Other factors deemed necessary by the City may be added to this evaluation process.** Each factor is worth a specific number of points. Each group is given a list of definitions for each factor, and a listing of points available for that factor. The employees use the information in the job description to rate each position on each factor, based on the definitions provided.

Standard Compensable Factors Measured in a Job Evaluation

- Education
- Experience
- Supervisory Authority
- Independence of Action
- Personal Hazards
- Physical Demands
- Working Conditions

For example, a job description states that the position must have a high school diploma, and the definitions sheet says that a high school diploma is worth 50 points toward the 1,000-point total. The group would assign 50 points for Education on the worksheet provided for that job description and move on to the next factor to be rated for that description. Each group independently completes this rating process for all compensable factors on all of the City's updated job descriptions. The groups are also instructed to use only the information in the job description, ignoring the qualifications of the position's incumbent for this rating process. A sample of the evaluation instrument can be found in Section 7 of this proposal.

When all three groups have completed the rating process, Dr. Kaatz takes each position's total scores from each group and averages each individual position's three scores to obtain the final job evaluation score for each position. These scores, ranked from highest to lowest, provide the internal equity information for the compensation plan.

Measure External equity

Develop and administer a salary survey

To conduct an appropriate salary survey that will provide between six and eight (6-8) responses, Dr. Kaatz will work with the City to create a list of at least 10 comparable cities. These organizations include the local labor market and the regional labor market for comparable organizations. The definition of comparable cities for includes a city's population (± 25%), general fund budget (± 25%), number of employees (± 25%), utility ownership, proximity to a metropolitan area, and types of services provided. **The City approves the list of comparable cities** and has the opportunity to add or remove cities from the list.

Our salary survey gathers data for job *descriptions*, not job titles. A synopsis of each job description is provided as part of the survey so that we are gathering data on comparable positions, i.e. comparing apples to apples, not apples to oranges. This is done because positions with the same job title in different cities may not have comparable duties. Having a synopsis gives the most accurate data possible.

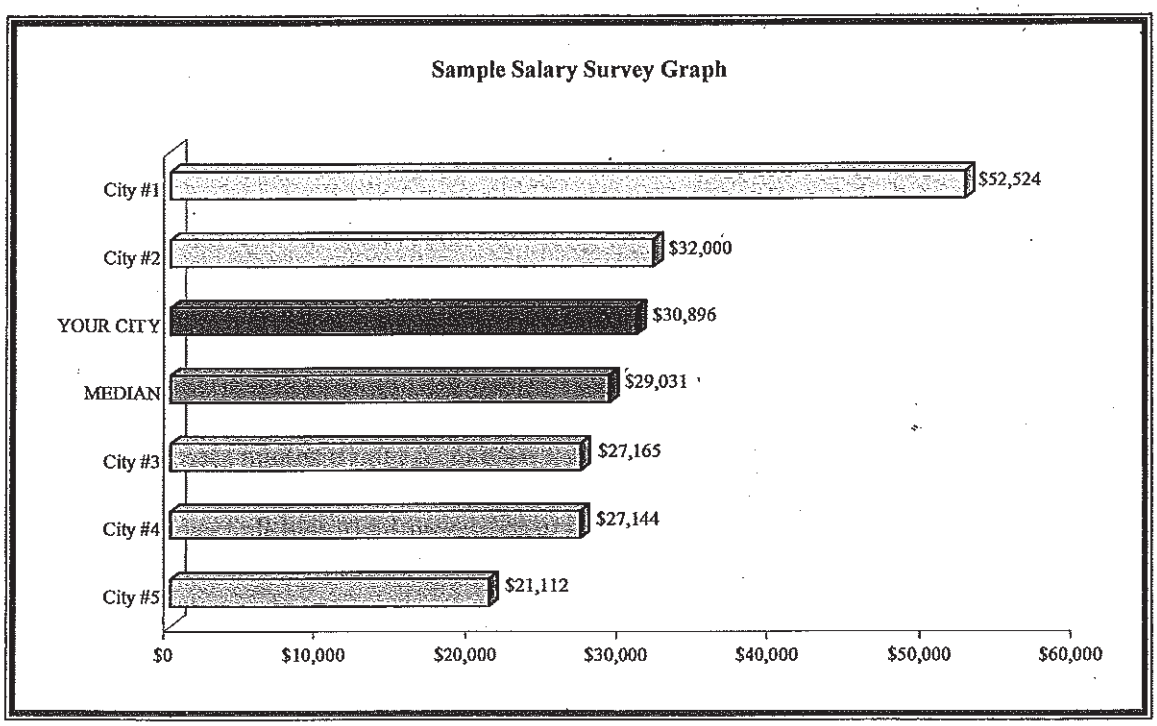
Since Aurora has only 50 job titles, salary data will be gathered on all of them. It is suggested that final data be offered to participating municipalities to ensure a higher response rate.

The survey itself consists of three pieces: the instructions, the job description synopses, and the survey instrument itself, which is returned to Dr. Kaatz. The survey instrument is generally only two

pages, lending itself to being faxed or e-mailed easily; I have found that this method generally produces a greater response. Postage for mailed surveys is included in the contract price. Questions about the survey come to Dr. Kaatz, and completed surveys are returned directly to him. Participants are given the option of faxing, e-mailing or mailing their completed survey. A sample of the salary survey can be found in Section 7 of this proposal.

Provide a graph and analysis for each position surveyed

Salary data for each position will be arranged in graphs for easy reference. Each graph will show all data turned in and include Aurora's current pay along with the median pay for each position.



Develop Compensation Plan

Dr. Kaatz generally uses some type of grade and step plan for municipal governments. Grade and step plans are generally based upon the lowest full-time wage offered by the City, are easy to administer, and can be used for cost of living adjustments and/or used for merit increases tied to performance review. Aurora's pay plan will be developed with the input from elected officials and City staff so that the system put in place is easy to use and easy to manage for the various types of employees at the City. A sample of a typical grade and step plan used by Dr. Kaatz can be found in Section 7 and is also the type currently used by Aurora.

Establish salary ranges for each classification or position

The first step in designing the City's new compensation plan is to place each *position* (job title) at an appropriate *grade* on the pay scale. Generally, employees work on a 2080-hour pay scale (52 weeks/year * 40 hours/week). If there are departmental employees that work different schedules (12-hour Police shifts, or 24 on 48 off Fire shifts for example), separate pay scales will be developed for those positions.

The salary survey data is used to make initial placements for individual positions, one department at a time, then the placements are adjusted, if needed, to reflect the internal equity found from the job evaluation. For example, we make sure that a Maintenance Worker is not placed higher than a Foreman. Positions are re-adjusted, as needed, to maintain internal equity within a single department and between departments. As much as possible, internal and external equity are balanced to create an equitable compensation system **based only upon the data gathered.**

Benefits Survey Results

A basic benefits survey covering heath, dental, life, and long term disability insurance as well as holidays, personal days, vacation days, sick days, retirement plans, and tuition reimbursement will be conducted with the comparable cities. The results will be presented to the City with the final report and at the presentation to the mayor and board. This is being done at no additional cost to the City.

Create a Budget Impact Forecast

In order to develop a set of cost estimates, Dr. Kaatz will place each employee at the appropriate place on the proposed compensation plan. To do this, a schedule of employees is created, by department, based upon a payroll printout provided by the City. The schedule includes each employee's name, job title, current annual salary, and how long that employee has held that job title.

Each job title has already been assigned to a specific grade, so each employee must be assigned to the appropriate step within the proper grade. This placement is based upon the employee's current annual salary and the length of time with that job title. **Dr. Kaatz does not, at any time, recommend decreases in employee salaries.** Where employees are already paid at a higher rate than the data would recommend, Dr. Kaatz makes a note of that on the schedule and states at what grade the position should be hired. That employee is then placed at an appropriate step at a higher grade on the pay scale. This system will not correct all historical inconsistencies; it will, however, make them known to the person(s) managing the compensation system.

This service is optional and being offered to the City at no additional cost. It is often easier for a third party like Dr. Kaatz to make these placements as he has little or no familiarity with individual employees. Of course, the City can always "override" a placement made by him.

Sample City
Proposed Employee Step / Grade Placements
Any Department

Employee	Title	Years of Service	Annualized Current Salary		FY2002 Proposed Placement	FY2002 Proposed Salary	FY2002 Percent Increase
			$37,916.00	*	14-2	$38,090.15	0.5%
			$50,585.00		17-2	50,697.99	0.2%
			36,131.00		14-1	36,980.23	2.4%
			18,565.00		7-1	18,976.96	2.2%
	DEPARTMENT TOTALS:		**$143,197.00**			**$144,745.33**	**1.1%**

** This employee has been placed at the appropriate Grade; however, due to the employee's current salary, he/she has been placed at a higher step than the system denotes.*

NOTES:

1. Employee names, job titles, years of service and annualized current salaries are provided by the City once the salary survey has been mailed.

2. Annualized salary is calculated by multiplying an hourly employees wages by the total number of hours worked in a year.

Measure Individual Equity

Individual equity is based on individuals' feeling that their personal contributions to the organization are valued. This is most often measured using performance appraisals that are implemented by supervisors. Dr. Kaatz proposes to review the current performance appraisals and the implementation process of those instruments to ensure that employees are treated in an equitable manner. This will ensure that Aurora gets the most value, motivationally, from its performance appraisal system.

This service is optional and being presented free of charge. Dr. Kaatz does have an instrument that he created and will share with Aurora. However, this free service does not include major modifications to appraisal instruments or creation of new ones.

Publish final report

Dr. Kaatz perceives his personnel systems as tools to be used for managing an organization's human resources. He does not want to see his reports sitting on shelves gathering dust. Because of this, he makes his reports and trainings as user-friendly as possible. His final report is produced in a three-ring binder, so that as systems are updated or new positions are added, the entire report does not have to be taken apart and re-assembled; the old pages are removed and the revised pages are inserted. All reports and data will also be provided in electronic format.

The final report includes:

- **Job Evaluation** methodology, results and rankings;
- **Salary Survey** methodology, graphs and analysis;
- **Review of Job Description** format;
- **Review of Performance Appraisal System;**
- Recommended **Compensation Plans**, methodology, and system maintenance / update procedures; and
- Proposed **Budget Impact Forecast** and estimate of implementation cost.

Other Services to be Provided

Presentation to the City Council

Dr. Kaatz will make a final presentation to the City Council once the entire system has been developed. He will provide final copies of the report at least one week ahead of the scheduled meeting so that all participants have the opportunity to read the report and prepare questions about the report itself, budget effects or its implementation.

Communication with the City Council and Appointed Staff

Dr. Kaatz keeps in close touch with the City throughout his projects, to report progress and to obtain direction and clarification about the systems he is developing. He communicates with the City in person at meetings, via fax and e-mail, and over the telephone. If he has questions about general issues or about specific desired outcomes, **it is his policy to ask the City for direction and/or guidance when an issue first arises.** Dr. Kaatz has found that this decreases the number of "surprises" at the end of the development process, and helps to keep policy-makers involved in that process. Maintaining open lines of communication is especially important when dealing with employee compensation issues, which tend to be emotionally charged if not handled professionally and equitably.

Provide training to management and supervisors

Training on the use, management and updating of the systems he develops is an integral part of the development process. **It makes no sense to install a system that no one will use.** Dr. Kaatz's trainings can be in an informal, one-on-one setting, or can be set up as a formal, "everyone-in-one-room" training. He will help the City determine most effective training style needed for the employees who will be using and managing the job description and compensation systems.

Provision of technical support services

This technical support is included as a guarantee to the City that Dr. Kaatz will take care of his clients when they are using his job description and compensation systems. As with technology or equipment purchases, a personnel system is a major investment, and sufficient maintenance is required for its ongoing use.

He will answer questions about job description updates, review job descriptions for new positions, assist with job evaluation or placement of a new position on the pay scale, assist with compensation adjustments, and answer any questions or provide support for issues that may arise from the use of the compensation system he develops for the City. **There will be no charge for these services.**

This free technical support does not include actual development of new job descriptions or completion of additional salary surveying; these services are available for an additional charge and may be arranged by a yearly retainer fee.

What the City Receives

- Seven (7) color copies of the final report in a three-ring binder;
- A separate package containing specific employee placements and salary recommendations (*Dr. Kaatz's philosophy is that until the Board approves and implements the compensation plan, the individual employees' salary recommendations are confidential personnel information. If the City wishes to make this information available, it may do so at its own discretion.*);
- Electronic copies of all salary survey data, pay scales, and proposed employee placement files using Microsoft Word and Excel, submitted on diskette or via e-mail;
- Training for all employees using or managing the compensation system;

Technical support services for as long as the City actively uses the systems.

Section 4, Qualifications and Experience of the Firm

Project Director

James B. Kaatz, MPA, Ph.D

Being on sabbatical during the spring of 2015, Dr. Kaatz will complete all work on the proposed project in Aurora. He has been consulting or working with university research centers in human resources for roughly twelve years. During that time he has completed compensation systems for cities ranging in size from Weston, Missouri with roughly 20 employees to Jackson County, Mississippi with over 1,100 employees. Municipalities served in Missouri include Aurora, Nixa, Republic, Rolla, St. Robert, Sunset Hills, Washington, Weston, and Willard.

Dr. Kaatz is currently an associate professor in the public administration program at Missouri State University (MSU) where he teaches local government and public human resources management. Formerly, he taught for three years at Mississippi State University in Starkville, Mississippi. He has articles published in the areas of municipal management and public personnel management in Personnel Management, Public Administration Quarterly, Public Productivity and Management Review, and State and Local Government Review.

He is a former city administrator whose current research interests include compensation for public employees, spirituality in public organizations, employee job satisfaction, and sustainability in local government.

References

City of Aurora, Missouri: Personnel and Compensation Study
Contact: Kathie Needham, City Clerk (417) 678-5121

Work completed for the City of Aurora included job analysis using VARJAS, job descriptions, job evaluation, salary survey, benefits survey, compensation plan, budget impact forecast, organizational review, final reports and presentation to the Board of Aldermen.

City of Nixa, Missouri: Personnel and Compensation Study with Performance Review
Contact: Brian Bingle, City Administrator (417) 725-3785

Work completed for the City of Nixa included job analysis using VARJAS, job descriptions, job evaluation, salary survey, compensation plan, budget impact forecast, organizational review, final reports and presentation to the Board of Aldermen.

City of Republic, Missouri: Personnel and Compensation Study with Performance Review
Contact: James Krischke, City Administrator (417) 732-3110

Work completed for the City of Nixa included job analysis using VARJAS, job descriptions, job evaluation, salary survey, compensation plan, budget impact forecast, organizational review, final reports and presentation to the Board of Aldermen.

City of Rolla, Missouri: Personnel and Compensation Study
Contact: John Butz, City Administrator (573) 308-4009

Work completed for the City of Rolla included job analysis using VARJAS, job descriptions, job evaluation, salary survey, benefits survey, compensation plan, budget impact forecast, organizational review, final reports and presentation to the Board of Aldermen.

City of Sunset Hills, Missouri: Personnel and Compensation Study
Contact: Laura Rider, City Clerk (314) 849-3400

Work completed for the City of Aurora included job analysis using VARJAS, job descriptions, job evaluation, salary survey, compensation plan, budget impact forecast, organizational review, performance appraisals, final reports and presentation to the Board of Aldermen.

City of Weston, Missouri: Personnel and Compensation Study
Contact: Kim Kirby, City Clerk (816) 640-2752

Work completed for the City of Weston included writing job descriptions, salary survey, compensation plan, budget impact forecast, final reports and presentation to the Board of Aldermen.

Section 5, Cost Breakdown

Cost breakdown for this proposal is as follows:

Alternate Bid #1 – Create Step and Grade Plan

Fixed Price Contract Total Cost $3,750

Alternate Bid #2 – Review and Update Current Job Descriptions

Fixed Price Contract Total Cost $3,600

Each of the above components is considered to be a separate bid. However, it is strongly recommended that both the full job description update and pay plan be done concurrently as accurate job descriptions are needed to gain accurate salary data and for ADA and FLSA review.

Payment for either or both the above amounts will be due on the following schedule:

40% at contract signing
30% at completion of job descriptions and/or salary survey
30% at delivery of the report to the City

Section 6, Schedule

The work under this proposal shall begin on March 20, 2015 and end on June 30, 2015. Assuming that the work is completed expeditiously, the following project schedule will be proposed:

- A list of initial data needs to the City of Aurora and returned by April 1, 2015.
- Job description review completed by May 1, 2015.
- Job evaluation completed by May 1, 2015.
- Salary survey data received and analyzed by May 18, 2015.
- Proposed employee placements completed by May 18, 2015.
- Review of employee performance evaluation process completed by May 18, 2015 (if chosen) .
- Report and recommendations completed by May 22, 2015.
- Presentation to City Council by mid-June depending on Council's schedule.

Dr. Kaatz is willing to work with the City on changing the Proposed Period of Performance to meet the City's scheduling needs, budget cycle, or other circumstances.

Section 7, Sample Documents

The pages that follow contain generic samples of the instruments that will be used to complete this assignment. All have been successfully used in prior engagements in municipalities in both Missouri and Mississippi. Please note that a sample step and grade pay scale can be found in Appendix B. Since Dr. Kaatz created Aurora's in the first place, modifications to that plan should be relatively simple.

Salary and Benefits Survey for the City of Anywhere, MO

PAGE 1 OF 3

*** PLEASE RETURN THIS PAGE ***

You will need:

1) A payroll printout for your organization, AND
2) A copy of the pay plan(s) currently used by your organization

Instructions:

1) **Read the duties for each job title** in the Job Description Synopsis packet and match with a corresponding position in your organization.
   - ➔ If there is no similar position with similar job duties in your organization, please leave the boxes blank.
   - ➔ If your organization's position has a different job title or is in a different department, but the duties correspond, please consider it to be a match.
2) If there is only one person in that position, please place the **current annual salary/wage** in the appropriate response area.
3) If there is more than one person in that position, please place the **minimum (starting) and maximum salary/wage** for that position in the appropriate response area.
4) If there is no stated minimum or maximum salary/wage for a position, please put the **average annual salary/wage** for that position in the response area.
5) Complete the Benefits Survey as the information pertains to your organization.
6) Please **e-mail the file back to jameskaatz@kaatzassoc.com**; or mail it to: Dr. Kaatz, LLC, 2733 East Battlefield #174, Springfield, MO 65804 **by** _____.
7) If you have any questions or comments please do not hesitate to call us at (417) 619-5079, and ask for Jim.

Thank you for your cooperation and prompt attention to our request.

Organization _____

Your Name _____

Job Title _____

E-Mail _____

Phone number _____ Fax number _____

☐ Please send my survey results data in Excel – version _____

☐ Please send my survey results data in QuattroPro – version _____

Salary Survey: City of Anywhere, Missouri

PAGE 2 OF 3

*** PLEASE RETURN THIS PAGE ***

Your Organization: _____

Please Note: These sheets have been designed so that you can enter your data directly into this form, if you prefer.

Department	Job Title	Annual Salary If No Range Used	Minimum in Salary Range	Maximum in Salary Range
Administration	City Clerk			
	Human Resources Assistant			
	Treasurer / Deputy Clerk			
	Utilities Clerk			
	Purchasing Agent			
Building	Building Commissioner			
	Deputy Building Inspector			
Parks	Parks Superintendent			
Police	Police Chief			
	Detective			
	Police Sergeant			
	Police Officer			
	Court Administrator			
	Police Clerk			
Public Works	Public Works Supervisor			
	Wastewater Superintendent			
	Wastewater Operator			
	Water Superintendent			
	Mechanic			
	Heavy Equipment Operator			
	Maintenance Worker I			
	Meter Reader			

Benefits Survey: City of Anywhere, Missouri
PAGE 3 OF 3
*** PLEASE RETURN THIS PAGE ***

Your Organization:

Health Insurance – COST IN DOLLARS

We recognize that some cities offer "employee and/or family" coverage, and some cities offer the option of "employee and/or spouse and/or children" coverage; please complete the area(s) that fit your city's situation.

Please note that we are asking for **DOLLARS**, not percentages; the purpose is to determine who pays how much for each type of coverage. THIS IS DIFFERENT THAN PREVIOUS K&A SURVEYS.

Type of Coverage	City pays:	Employee pays:
Employee only	$	$
Spouse added	$	$
Children added	$	$
Family added (spouse & kids)	$	$

Dental Insurance – COST IN DOLLARS

We recognize that some cities offer "employee and/or family" coverage, and some cities offer the option of "employee and/or spouse and/or children" coverage; please complete the area(s) that fit your city's situation.

Please note that we are asking for **DOLLARS**, not percentages; the purpose is to determine who pays how much for each type of coverage. THIS IS DIFFERENT THAN PREVIOUS K&A SURVEYS.

Type of Coverage	City pays:	Employee pays:
Employee only	$	$
Spouse added	$	$
Children added	$	$
Family added (spouse & kids)	$	$

Life Insurance

Please complete the appropriate box(es) below:

Type of Coverage	City pays:	Employee pays:
Pays a specific dollar amount per employee **OR**	%	%
Pays a percentage of the employee's salary	%	%

Retirement Coverage

Please complete the appropriate box(es) below:

Type of Coverage	City pays:	Employee pays:
Pays a specific dollar amount per employee **OR**	%	%
Pays a percentage of the employee's salary	%	%

☐ We offer additional coverage where the employee can contribute a stated dollar amount toward additional coverage.

☐ We offer a cafeteria plan for our employees so that they can customize their benefits.

City of Anywhere
Job Evaluation Worksheet
Group Number 1

Administration Department

City Clerk

Conditions	Points
Experience	
Education	
Working Conditions	
Personal Hazards	
Physical Demands	
Independence of Action	
Supervisory Authority	
Licenses and Certifications	

City of Anywhere
Job Evaluation Factor Explanations

Experience Required - 175 points

This factor measures the experience needed to carry out the job at a competent level.

Level 1	Six months or less on this job	0 points
Level 2	Six months to one year on this job	43 points
Level 3	At least one year performing a less responsible job	87 points
Level 4	Between two and four years performing a less responsible job	132 points
Level 5	At least five years performing a less responsible job	175 points

Education - 150 points

This factor measures the amount of formal education required to satisfactorily perform the job. Experience or knowledge received through experience is <u>not</u> to be considered in evaluating this factor.

Level 1	Less than high school diploma or its equivalent	0 points
Level 2	High school diploma or its equivalent	37 points
Level 3	High school diploma or its equivalent plus some college or trade school	75 points
Level 4	Two-year college degree	112 points
Level 5	Four-year college degree or more	150 points

Working Conditions - 100 points

This factor measures job surroundings and environmental influences such as atmosphere, ventilation, noise and congestion. Consider the extent to which physical conditions are disagreeable or uncomfortable through the presence, relative amount, and continuity of dust, dirt, heat, fumes, smoke, oil, grease, wet, cold, noise, vibration or any other unpleasant element.

Level 1	No uncomfortable elements	0 points
Level 2	Limited exposure to uncomfortable elements	25 points
Level 3	Frequent exposure to uncomfortable elements	50 points
Level 4	Continuous exposure to several uncomfortable elements	75 points
Level 5	Intensive and continuous exposure to several uncomfortable elements	100 points

Personal Hazards - 100 points

This factor measures the personal hazards inherent in a job, even though all reasonable precautions have been taken by the employer.

Level 1	Injury is extremely unlikely.	0 points
Level 2	Some possibility of relatively minor injury. All hazards are safeguarded.	33 points
Level 3	Minor to moderate injuries are likely due to hazards that cannot be safeguarded.	66 points
Level 4	Real possibility of major injury due to the nature of the work and/or hazards that cannot be safeguarded.	100 points

Physical Demands - 100 points

This factor measures the kind, amount and frequency of physical effort associated with job duties.

Level 1	Little physical effort required.	0 points
Level 2	Light physical work required. Walking or standing for short periods of time with some light lifting. Office employees who spend moderate amounts of time working on computers or bending in the process of carrying out office duties are included here.	25 points
Level 3	Average physical effort required. Walking or standing for considerable periods of time with some moderate lifting or strain involved. Office employees who spend great amounts of time working on computers or bending in the process of carrying out office duties are included here.	50 points
Level 4	Considerable physical effort required. Walking, standing, heavy and light lifting for substantial portions of the workday are characteristics of this level.	75 points
Level 5	Heavy continued physical effort required. Same as Level 4 except that the effort encompasses the entire job.	100 points

Independence of Action - 150 points

This factor measures the amount of supervision placed upon the employee. Rate the job based upon how often the position is supervised and the type of supervision the position receives.

Level 1	Numerous times during the course of the workday. Little or no independent problem solving.	0 points
Level 2	More than once during the day. Some independent problem solving which is mostly of a routine nature.	37 points
Level 3	Once daily. Independent problem solving of a routine nature and some non-routine problem solving are carried out.	75 points
Level 4	Every two to three days. Supervision is primarily in the form of reporting about and/or receiving tasks to perform.	112 points
Level 5	Weekly. Supervision is primarily in the form of planning and reporting.	150 points

Supervisory Authority - 150 points

This factor measures the amount of supervision exercised by the position.

Level 1	No supervisory authority.	0 points
Level 2	Supervises one or two employees.	37 points
Level 3	Supervises up to five employees.	75 points
Level 4	Supervises up to ten employees.	112 points
Level 5	Supervises more than 10 employees.	150 points

Licenses and Certifications - 75 points

This factor measures the number of licenses and/or certifications required for the position. Rate the job based upon how many licenses and/or certifications are required.

Level 1	No licenses or certifications required.	0 points
Level 2	Driver's license **OR** one license/certification.	19 points
Level 3	Commercial driver's license **OR** driver's license plus one license/certification **OR** two licenses/certifications.	37 points
Level 4	Commercial driver's license plus one license/certification **OR** driver's license plus two licenses/certifications **OR** three licenses/certifications.	56 points
Level 5	Commercial driver's license plus more than one license/certification **OR** four or more licenses/certifications.	75 points

EXHIBIT "A"
DISCLOSURE AND CONFLICT OF INTEREST

It is the City's policy to prevent actual, potential, or perceived conflicts of interest with its current and prospective vendors on behalf of its participant. In furtherance of this policy Firms are required to disclose:

1. Political Contribution Disclosure
   All vendors submitting a proposal to this RFP must provide a written disclosure of all political contributions made during the preceding three (3) years to the Mayor and/or City Council member's Campaign.

2. Non-Political Disclosures
   Firm is to disclose the relationship to anyone (spouse, father, mother, son, daughter, or immediate family) holding an elective office within the City of Aurora government: and/or a member of City Staff holding a management position within the City, or holding the positions of City Manager.

   The failure to provide written disclosures of political contributions or solicitations may result in the disqualification of a Firm.

   Firm is to provide any disclosures as a separate attachment.

   If Firm has no political contributions to report, indicate that Firm has no disclosure to report on the bottom of this page.

   These disclosures are not intended to prohibit or prevent any contract. The disclosures are used to fully and publicly disclose any potential conflict of interests.

Firm Name: James B Kaatz

Signature: James B Kaatz

Print name and title: James B Kaatz Date: 3-16-2015

_____ Attached Disclosures

__X__ I do not have any disclosures to report

EXHIBIT "B"
REPRESENTATIONS AND CERTIFICATIONS

1. If the Firm retains any subcontractors to perform any portion of the services hereunder, then the Firm shall promptly provide notification, in writing, to the City's authorized representative. The Firm shall also disclose the names and addresses of all subcontractors and the expected amount of money each subcontractor will receive under the contract.

2. The firm acknowledges that a description of this Agreement shall be made available, to the public, and that all city contracts, including the name of the firm, the total amount applicable to the Agreement, the total fees paid or to be paid under the Agreement and a disclosure, submitted to the City Council describing the factors that contributed to the selection of the Firm.

3. The firm agrees to provide a full disclosure of direct and indirect fees, commissions, penalties, and other compensation, including reimbursement for expenses, which may be paid by or on behalf of the firm in connection with the provisions of this RFP.

ACKNOWLEDGED:

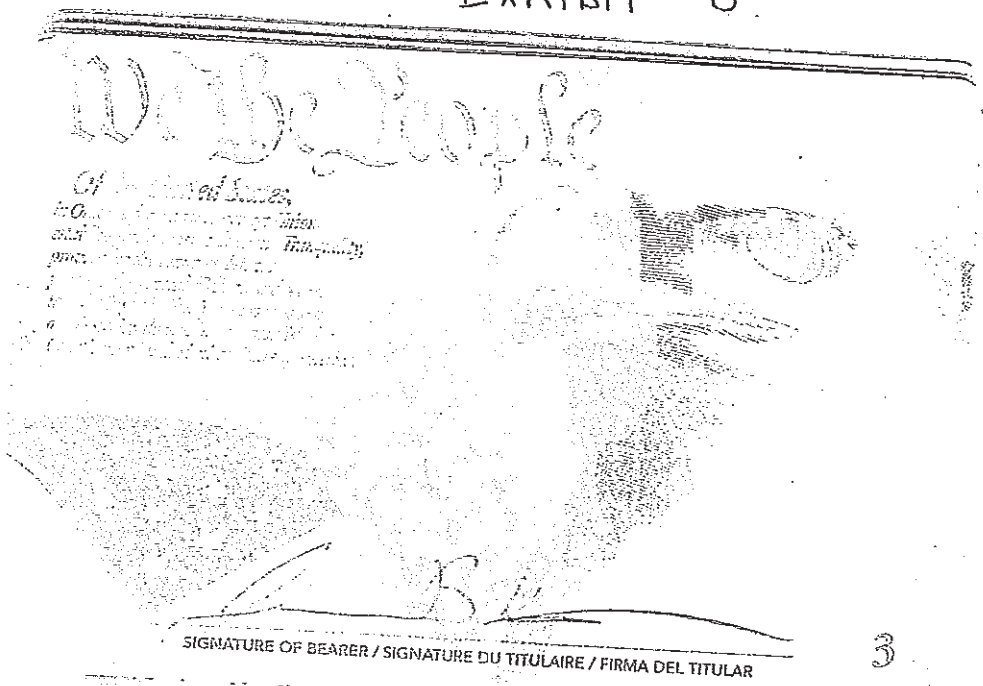
Firm Name: James B. Kaatz

Signature: James B Kaatz

Print name and title: James B Kaatz

Date: 3-16-2015

Exhibit "D"



SIGNATURE OF BEARER / SIGNATURE DU TITULAIRE / FIRMA DEL TITULAR

3

PASSPORT
PASSEPORT
PASAPORTE

USA

UNITED STATES OF AMERICA

Type / Type / Tipo: P

Code / Code / Codigo: USA

Passport No. / No. du Passeport / No. de Pasaporte: 468122458

Surname / Nom / Apellidos: KAATZ

Given Names / Prénoms / Nombres: JAMES BRYAN

Nationality / Nationalité / Nacionalidad: UNITED STATES OF AMERICA

Date of birth / Date de naissance / Fecha de nacimiento: 01 Dec 1963

Place of birth / Lieu de naissance / Lugar de nacimiento: ILLINOIS, U.S.A.

Sex / Sexe / Sexo: M

Date of issue / Date de délivrance / Fecha de expedición: 11 May 2010

Authority / Autorité / Autoridad: United States Department of State

Date of expiration / Date d'expiration / Fecha de caducidad: 10 May 2020

Endorsements / Mentions Spéciales / Anotaciones: SEE PAGE 27

USA

P<USAKAATZ<<JAMES<BRYAN<<<<<<<<<<<<<<<<<<<<<<

4681224580USA6312017M2005102239799960<489696

EXHIBIT E
NON-COLLUSIVE AFFIDAVIT OF PRIME BIDDER

State of Missouri

County of Greene

James B Kaatz, being first duly sworn, deposes and says that:

1. He is the owner, partner, officer, representative or agent of James B Kaatz, the Bidder that has submitted the attached Bid;

2. He is fully informed respecting the preparation and contents of the attached Bid and of all pertinent circumstances respecting such Bid;

3. Such Bid is genuine and is not a collusive or sham bid; and that all statements made and facts set forth in the bid are true and correct;

4. Neither the said Bidder not any of its officer, partner, owners, agents, representatives, employees, or parties in interest including this affidavit, has in any way colluded, considered, connived, or agreed, directly or indirectly with any other Bidder, firm, or person, to submit a sham for bid in connection with the Contract for which the attached bid has been submitted or to refrain from bidding in connection with such Contract; or has in any manner, directly or indirectly, sought by agreement or collusion or communication or conference with any other Bidder, firm or person to fix the price or prices in the attached Bid or of any other Bidder, ot to fix the overhead, profit or cost element of the Bid price of the other Bidder, or to secure through any collusion, conspiracy, connivance, or unlawful agreement any advantage against the City of Aurora or any person interested in the Proposed Contract.

5. The price or prices quoted in the attached Bid are fair and proper, and are not tainted by any collusion, conspiracy, connivance, or unlawful agreement on the part of the Bidder or any of its agents, representative, owners, employees, or parties in interest, including this affidavit; and

6. He further certified that Bidder is not financially interested in or financially affiliated with any other Bidder on this project.

Signed [signature]

Title James B Kaatz

Subscribed and sworn to before me this 15 day of March, 2015.

My Commission expires: 3-11-16

[signature]

JOHN ACKERMAN
NOTARY PUBLIC-NOTARY SEAL
GREENE COUNTY
STATE OF MISSOURI
COMM.EXP. 03/11/2016
#12380127

PART FIVE

OFFER AND SCHEDULE OF FEES

The undersigned has thoroughly examined the entire RFP, including all addenda thereto, hereby offer to furnish all services in accordance with the requirements of the Request for Proposal, as described in the proposal attached hereto and incorporated herein.

Total all-inclusive maximum price to perform the Classification and Compensation Study as described herein.	**Lump Sum Fixed Price**
Flat fee for developing grade and step plan	
Flat Fee for developing and providing job descriptions and reviews for future new positions' job description.	

Date: March 16, 2015

Legal Company Name: James B Kaatz

Missouri Business License Number: 333-58-8922

Signature: James B Kaatz

Name (Printed): James B Kaatz

Title:

Address: 1426 W. Maplewood

City: Springfield

State: MO Zip: 65807

Phone No. (417) 619-5079

Email Address: jimkaatz@outlook.com

Federal Tax ID No.: 333-58-8922

GovHR US Proposal

GovHR USA

Voorhees Associates GovTempsUSA

COPY

AURORA, MISSOURI

Proposal for a Classification and Compensation Study

March 15, 2015

650 Dundee Road, Suite 270, Northbrook, IL 60062

Local: 847.380.3240 Toll Free: 855.68GovHR (855.684.6847) Fax: 866.401.3100 GovHRUSA.com

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SCHEDULE – Page 11 to 12

CONSULTANT BIOGRAPHIES – Page 13 – 15

Exhibit A – Disclosure and Conflict of Interest
Exhibit B – Representations and Certifications
Exhibit C – Affidavit of Participation in a Federal Work Authorization Program
Exhibit D – Proof of E-Verification
Exhibit E – Non-Collusive Affidavit

March 12, 2015

Ms. Kathie Needham, City Clerk
City of Aurora
2 W Pleasant
P. O. box 30
Aurora, MO 65605

Dear Ms. Needham,

GovHR USA, LLC is pleased to provide you with a Proposal for an Employee Classification and Compensation Study for the City of Aurora.

If GovHR USA, LLC is selected to conduct this Study, I will serve as Project Manager. I will be assisted by Mr. Lee Szymborski, Ms. Alice Bieszczat, and Ms. Judy Schmittgens. Our biographies are included in an Appendix to the Proposal.

GovHR understands the work to be done as outlined in the Request for Proposal, and agrees to all of the terms therein except for the June 1, 2015 completion date. GovHR does not feel that a Study of this size can be completed in this short of a timeframe, given that the Study will not be started until some time in April. Please pp. 11- 12 of the Proposal for GovHR's anticipated timeline for completion of the Study.

This Proposal and the Not-to-Exceed Cost Estimate is firm and shall remain in effect for a period of ninety days from March 16, 2015.

Gov HR looks forward to the opportunity to work with the City of Aurora on this important project.

Sincerely,

Joellen C. Earl
Co-Owner
GovHR USA, LLC

CITY OF AURORA, MISSOURI
Proposal for a Compensation and Classification Study
March 16, 2015

EXECUTIVE SUMMARY

GovHR USA, LLC ("GovHR")[1] is a public sector management consulting firm specializing in executive recruitment and management consulting. All services are provided solely for public jurisdictions and not-for profit entities. GovHR provides service to jurisdictions and agencies in a variety of contemporary issues, providing management, financial, and human resources assistance. Our organization has a staff of twenty-one consultants. The company was formed as Voorhees Associates in 2009; however, most of our Consultants also worked together previously at The PAR Group. The PAR Group was a public sector management consulting firm in business for over 30 years.

It is a pleasure for GovHR to provide the City of Aurora with this Proposal for a Compensation and Classification Study. GovHR has one of the most experienced professional staffs of any comparable public management consulting firm and our Consultants have extensive experience with classification and pay plan work. Ms. Joellen C. Earl, Co-Owner of GovHr, would be the principal contact person on this project and is authorized to execute a contract for the proposed services. Her contact information is as follows:

Joellen C. Earl
jearl@govhrusa.com
Telephone 847-380-3283
Facsimile 866-803-1500

Our proposed project team not only has years of experience in the personnel field, but are also experienced administrators and consultants in the public sector. The consulting team assigned to perform the City of Aurora assignment will be conducted by members of GovHR's regular, permanent staff. Ms. Joellen Earl will serve as Project Manager. Mr. Lee Szymborski and Ms. Alice Bieszczat will assist Ms. Earl with employee interviews, data gathering and analysis and recommendation development. Ms. Judith Schmittgens, our Compliance Manager and an attorney, will assist Ms. Earl with employee interviews and job description review and updates. Biographies for each of the Consultants are attached to this Proposal.

[1] In December, 2013, Voorhees Associates changed its name to GovHR USA, LLC. However, since much of the company's experience to date has been under the name of Voorhees Associates, some of the narrative herein will refer to the company under its former name.

WORK PROGRAM AND SCOPE OF SERVICES

The City of Aurora would like to update its current grade and step compensation plan for all of its employees, and to review and update, as necessary, the classifications and job descriptions of its 53 full time positions in the organization to ensure that they reflect current job duties and are compliant with ADA, FLSA and other applicable employment laws.

To accomplish this, GovHR will perform the following steps (listed in the order that the work will be performed). Please note, we have specified several areas where we will need the City's input/assistance.

I. Meetings, Salary Survey, Job Analysis.

- **Study preparation and project/employee meetings (1st trip).** Meet with City of Aurora representatives to discuss study methods, review organization charts, personnel rules and regulations, and the current classification and pay plans. Determine problem areas, answer questions, and review the scope and schedule of work. GovHR will require copies of any and all pay plans, the current personnel manual, union contracts and any other relevant information related to salaries. During this same visit, the Consultants will meet with employees to explain the scope of the project and distribute Job Analysis Questionnaire (JAQ) forms. Employees will be allowed approximately ten (10) days to complete the questionnaire. The questionnaires will also be reviewed by each employee's supervisor and returned to GovHR within two (2) weeks of distribution.

- **Establishing comparables.** Working with City staff, and using our broad based cohort methodology, determine a logical survey sample of "like" municipalities that impact the compensation market for the City. In selecting public employers, we normally use criteria such as number of employees, population served, EAV, budget size, proximity, etc., the purpose of which is to select jurisdictions that are most comparable to the City of Aurora.

- **Prepare and send out salary and benefit surveys.** Design and send out the salary and benefit surveys (under City letterhead) to gather salary data for benchmark classifications in the comparable communities. To accomplish this, the Consulting Team will work with City representatives to select about 20 - 25 benchmark classifications from the City's 53 classifications covered in the Compensation phase of the Study. These classifications will be chosen on the criteria of those that are most common in all communities and that cover all the various pay grades in Aurora. In addition to job titles, brief position descriptions are included in the salary survey to make sure we are receiving salary data for "like" positions in the comparable communities.
- ***Note***: While GovHR will prepare all the materials to be sent out for the salary and benefit surveys, we have found that sending out the survey under the client's letterhead generates a better/faster response from the survey respondents than when it is sent out under our letterhead/name. In addition, the City *may* be asked to make one follow up contact to those municipalities that do not initially respond to the survey request.

- **Job evaluation analysis and establishment of job classification system (2nd trip).** Upon return of the JAQs by the City, GovHR will perform the following:

  - Read each JAQ (up to 75) and corresponding Job Description (53), in their entirety.

➢ Personally interview at least one (1) employee from each job classification to further understand the scope of their job. Apply a measurement system of job evaluation factors, using nine (9) main factors used in our job evaluation instrument in order to evaluate the internal/comparable worth of each job classification. Upon completion of the job evaluation measurements, a new Classification Plan will be developed. It is important to emphasize that the job, not the qualifications or performance of the incumbents, is being evaluated. Part of this process will include the evaluation of current job titles and the recommendation for any changes to same, assuring that the job title and related recommended pay range matches what the employee is actually doing.

Note: A formal job evaluation system, such as the one utilized by GovHR, is an attempt to objectify the reasons that jobs are compensated differently. Most compensation practitioners agree that three (3) basic factors are important in determining compensation. These are: (1) skills required; (2) responsibility; and (3) working conditions. The Equal Employment Opportunity Commission recognizes these three (3) basic factors, along with seniority and performance, as valid determinants of compensation. The nine (9) factors used by GovHR are essentially subdivisions of the first three (3) factors mentioned above. In addition, it is GovHR's practice that, under Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act (ADA), and the Age Discrimination of Employment Act (ADEA), it is illegal to discriminate in any aspect of employment. GovHR will not use discriminatory practices on the basis of race, color, religion, sex, national origin, disability, or age when performing a classification analysis. Decisions and recommendations will not be based on stereotypes or assumptions about the abilities, traits, or performance of individuals of a certain sex, race, age, religion, or ethnic group, or individuals with disabilities.

➢ Based on the results of the job evaluation process outlined above, assign all classifications to skill levels.

Note: Logical breaks in the continuum of points determine the skill levels used for determining the classification system. For example, skill level 1 might contain jobs that scored between 185 and 200 points, skill level 2 between 205 and 220 points, and so on.

➢ Review the results of the job evaluation exercise with City representatives, and revise as necessary.

II. Salary and Benefit Survey Analysis.

The following steps will be included in this component of the study:

- Tabulate, summarize, and analyze comparative compensation information obtained through the surveys. Our pay tabulations compare the City's salaries for the surveyed positions, with the average minimum and the average maximum of the survey data for each surveyed class, when possible. Data is displayed for each jurisdiction on each class and summarized in an overall table. This data is analyzed to determine the percentage difference between the City's present pay for each class and the survey data.

- Tabulate, summarize, and analyze comparative compensation information obtained through the private sector salary surveys.

- Using the data from the salary surveys, the Consultants will work with the City to determine Aurora's policy with respect to compensation (i.e., 50th percentile; 75th percentile, etc.). Once this is determined, the Consultants will use the salary survey data to develop and recommend new salary schedules for the City's 62 classifications. This process will include a recommendation regarding how employees are inserted into the new plan and how they move through the

proposed pay plan (either via a merit system or defined merit increment plan), with recommendations for a specific performance oriented program with respect to salary advancement through the new salary ranges. The salary schedules will outline what the specific percentages are between ranges and grades.
Note: GovHR always recommends that there be a merit component associated with the granting of wage adjustments and a recommendation for this will be included in the City's report.

- Tabulate, summarize, and analyze comparative benefit information obtained through the survey. Make suggestions and recommendations where City benefits are inconsistent with the survey group.

III. Draft and Final Report Preparation.

- A draft report will be prepared by the Consultants and sent electronically to the City that includes:
  - an Executive Summary highlighting the overall scope of the Study and the general observations, outcomes and recommendations contained within the Report;
  - a summary of all aspects of the Study, including recommendations, methods and guidelines for achieving the overall aspects of the Study as well as recommendations for annual maintenance and review of the new plans;
  - pay range options that are consistent with the City's pay policy, outlining the pros and cons of each option;
  - assignment of each position to an appropriate classification and pay grade based on internal equity and marketplace considerations;
  - recommendations on keeping the plan current, equitable and up to date over the next ten years.

- Once the City representatives return review comments, a final report (1 hard copy and one electronic copy for reproduction) will be prepared and sent to the City.

IV. Presentation of Findings (3rd Trip).

Make a presentation of findings to the City Council to present the final results of the Study. The final report will include a procedure manual and appropriate forms for Human Resources staff and/or supervisors to maintain the recommended classification and pay plan(s).

V. JOB DESCRIPTION UPDATE: The Consultant will review current job descriptions for each of the 62 classifications to ensure that they accurately reflect current job duties, and that they are compliant with applicable employment laws and regulations. The Consultant will recommend job description updates as necessary, and will complete the updates, if requested, after completion of the Study for an additional fee (see enclosed Cost Proposal/Optional Services.) Job descriptions prepared by the Consultant will include current job duties, education and experience requirements, physical and mental demands and all minimum qualifications.

QUALIFICATIONS AND EXPERIENCE OF FIRM

GovHR is a public sector management consulting firm devoted to assisting only public sector entities. The team assembled for the Aurora project has both practical experience working in the public sector as well as years of experience working as Public Sector Management Consultants.

In the past five years, the following Classification and Compensation Studies have been completed by the Consultants, either as members of The PAR Group, Voorhees Associates or GovHR:

- The City of Antigo, Wisconsin
- The City of Baraboo, Wisconsin (Study included updating of job descriptions and creation of a new performance evaluation system, and a follow up project to include their newly de-certified Public Works employees into the new pay plan)
- The City of Burlington, Wisconsin
- The Village of Bradley, Illinois
- The Village of Brookfield, Illinois
- The Village of Carpentersville, Illinois
- The Clarendon Hills Park District, Illinois
- The City of Geneseo, Illinois
- The City if Higginsville, Missouri
- The Village of Lake Zurich, Illinois (Study included an organizational audit)
- The Village of Lemont, Illinois (Studies in 2008 and 2013; 2013 Study included updating of job descriptions)
- The Village of Montgomery, Illinois
- The Village of Morton, Illinois (Study included creation of a new performance evaluation system)
- The Northbrook Park District, Illinois (Study included Job Description Rewrite, and Partial Workload Analysis)
- The Park District of Oak Park, Illinois
- The Village of Roselle, Illinois (Study included Job Description Updates)
- The Park District of Highland Park, Illinois (Study included updating of job descriptions)
- The Village of River Forest, Illinois – New Performance Evaluation System
- The Village of Deer Park, Illinois - Classification and Compensation System
- The Village of Hanover Park, Illinois - Classification and Compensation System
- The Village of Lemont, Illinois - New Performance Evaluation System
- The City of New London, Wisconsin - Classification and Compensation System
- The Village of Roselle, Illinois - New Performance Evaluation System
- The City of West Bend, Wisconsin - Classification and Compensation System and New Performance Evaluation System
- Chicago Metropolitan Agency for Planning – Compensation System
- Town of Munster, Indiana – Classification and Compensation System
- The Village of Richton Park, Illinois – Classification and Compensation System and updates to job descriptions
- The Village of Villa Park, Illinois – Classification and Compensation System
- Baraboo District Ambulance Service – Compensation System
- The Village of Hainesville, Illinois – included updates to job descriptions
- The Village of Franklin Park, Illinois
- The Village of Cross Plains, Wisconsin
- The City of Berlin, Wisconsin

- The City of Oregon, Illinois
- The City of Crest Hill, Illinois
- Lodi Utilities, Wisconsin

CURRENT WORK

Members of the Study Team are currently involved in active Classification and Compensation Studies with:

- The City of Waukesha, Wisconsin
- The Illinois Metropolitan Investment Fund
- The City of Franklin, Wisconsin
- The Village of Romeoville, Illinois
- The Town of Southborough, Massachusetts
- The Cities of Dixon and Sterling, Illinois (Joint Study)
- The City of Evansville, Wisconsin
- The Village of Westmont, Illinois

REFERENCES

Village of Richton Park, Illinois
Staffing Assessment, Classification and Compensation Study and Job Description Updates
Contact: De'Carlon Seewood, Village Manager
dseewood@richtonpark.org
Telephone: (708) 481-8950

Village of Villa Park, Illinois
Classification and Compensation Study
Contact: Rich J. Keehner, Jr., Village Manager
rkeehnerjr@invillapark.com
Telephone: (630) 592-6051

City of West Bend, Wisconsin
Compensation and Classification Study;
Job Description Re-Write; New Performance Evaluation System
Contact: Steve Volkert, Asst. Administrator – HR Director
Telephone: (262) 335-5107

COST OF SERVICES

The cost of the services described in our proposal is based on the time of our professional and support staff to complete it, as well as travel/transportation costs and miscellaneous expenses such as report reproduction, postage and supply expenses. We estimate the maximum cost of the project on the basis of the above factors and propose a not-to-exceed fee inclusive of expenses. It is expected that the City will provide office and/or conference room space, access to a telephone, and photocopying/printing support while our staff is in residence. .

In keeping with the above statement of our usual practices, we estimate the fee for the entire study to be **$33,000 ($28,000** for professional fees and **$5,000** for expenses – based on three [3] trips to the City) and will agree to complete the study for this **fixed fee of $33,000**, separated by task as follows.

STUDY PHASE BREAKDOWN	HOUR BREAKDOWN	COST
I. Meetings, Salary and Benefit Survey, Job Analysis		
• Study preparation and project/employee meetings (1st trip)	20 hours	**$2,500**
• Establishing comparables	10 hours	**$1,250**
• Prepare and send out salary and benefit survey	10 hours	**$1,250**
• Job evaluation analysis and establishment of job classification system (2nd trip)		
➢ *reading of (up to 75) JAQs/53 JDs*	28 hours	**$3,500**
➢ *employee interviews (2nd trip)*	40 hours	**$5,000**
➢ *analyzing data and establishing classes*	20 hours	**$2,500**
➢ *assigning of skill levels*	4 hours	**$500**
➢ *review job evaluation results with City Representatives*	2 hours	**$250**
➢ *exempt vs. nonexempt determination and ADA review*	12 hours	**$1,500**
II. Salary and Benefit Survey Analysis		
• Analyzing salary survey data	12 hours	**$1,500**
• Establishing new salary schedules	8 hours	**$1,000**
• Analyzing benefit survey data	12 hours	**$1,500**
III. Draft and Final Report Preparation		
• Writing draft report	30 hours	**3,750**
• Final report	4 hours	**$500**
IV. Presentation of Findings (3rd trip)	12 hours	**$1,500**
PROJECT HOUR AND COST TOTAL	**224 HOURS**	**$28,000**
VI. Update Job Descriptions (Optional) - $150 per JD update/$250 for creation of new job description		
Fee for Expenses	3 trips	**$5,000**
	TOTAL	**$33,000**

***NOTE:* If the City of Aurora accepts our proposal for this project, GovHR will for one (1) year from the date of the signature of this agreement, provide support services at no additional cost. This will include any telephone communication necessary by the staff with regard to any questions concerning the report and/or performing job classification analysis for any newly created or revised positions and re-working and providing any tables that would be affected by these changes. After that, the cost for future position re-classifications would be $250.00 per position.**

OPTIONAL SERVICES/EXPENSES:

- **Progress Reports** – It is customary to have periodic telephone conversations throughout the Study to give progress reports. There will be no charge for these periodic telephone updates.
- **Additional Site Visits** – If the City chooses to have the Consultants make an additional on-site visit to present the findings of the Study to the City employees, or any other additional on-site visits, there would be an additional cost of $1,500 for professional fees and expenses per visit.
- **Additional Report Books** – If the City requests more than the one final report book that has been included in this proposal, there will be a charge of $35.00 per book.

SCHEDULE/PROPOSED TIMELINE

GovHR is available to start this project within two weeks of acceptance of proposal. A Study of this size would normally take about 120 days. GovHR recognizes Aurora's desire to have the Study completed by June 1; however, we cannot complete it in that short of time. We have attempted to shorten our normal timeline somewhat (see below); however, some turnaround times and other tasks are beyond our control and experience tells us that we need to allow a number of weeks for certain tasks to be completed. We will commit to work efficiently and as quickly as possible, while still putting forth a quality work product. The following timetable is contingent upon the timely response from the comparable municipalities supplying the salary data, as well as the timely response of the City of Aurora employees in returning the JAQs. Any delays in receipt of these pieces of information are beyond the control of GovHR and will lengthen the completion of the report.

The following is a detailed breakdown of the work schedule:

- Week 1: Meet with Administrative Study Team and employees to hand out JAQs; establish comparable communities; prepare and distribute salary and benefit surveys.
- Week 2 to 3: Return of JAQs and salary surveys.
- Week 4: Reading of JAQs and job descriptions.
- Week 5: Return to Aurora to interview employees.
- Week 6 and 7: Analyze data; prepare new classification and compensation plans.
- Week 8: Send draft findings to Aurora.
- Week 9: Get return comments from Aurora.
- Week 10: Prepare Draft Report and send to Aurora.
- Week 11: Get return comments from Aurora.
- Week 12: Prepare Final Report and present Report to City Council.
- Updating of job descriptions – after the Study is completed.

GovHR prides itself in adhering to this time frame. Our past clients will confirm our diligence in delivering our report and other deliverables on time.

In closing, GovHR is a public sector management consulting firm devoted to assisting only public sector entities. We believe that the team assembled for conducting the proposed study for the City of Aurora is of the highest caliber and qualifications. GovHR appreciates your consideration of this Proposal and looks forward to the opportunity to work with the City of Aurora.

Sincerely,

Joellen C. Earl
Co-Owner
GovHR USA, LLC

Attachments:
Consultant Biographies
Exhibits A - E

Lee Szymborski

Senior Vice President – GovHR USA

Lee Szymborski is a Senior Vice President with GovHR USA, working on both executive search and general management consulting assignments. He has more than 33 years of experience in local government administration. Most recently, Mr. Szymborski served more than 15 years as City Administrator in Mequon, Wisconsin. Mequon is a full service city with $30 million in combined budgets, and more than 170 employees serving 23,000 residents over a 47-square mile area.

Mr. Szymborski's experience spans both Wisconsin and Illinois communities. In addition to his Wisconsin service in Mequon, he also worked for the City of Wauwatosa and Milwaukee County. In Illinois, he served for 12 years as Assistant Village Manager in Buffalo Grove.

Mr. Szymborski's track record points to a results-oriented approach to municipal government management. That is demonstrated by his work including the purchase of a $14 M private water utility that has seen its customer base increase under city ownership (Mequon); reorganizing city departments and reducing workforce costs in an organizationally sensitive manner (Mequon); spearheading a 10- community oversight committee to secure the startup of commuter rail service (Metra) on the WI Central railway (Buffalo Grove); and re-purposing TIF funds to provide incentives that secured a $16 M mixed-use development in Mequon's Town Center. He is additionally skilled in budgeting, personnel administration, community engagement efforts and strategic planning.

Mr. Szymborski has published articles in *Public Management* magazine, and is an adjunct instructor at Upper Iowa University – Milwaukee Center. He holds a B.A. in Political Science, as well as an M.S. in Urban Affairs, both from the University of Wisconsin – Milwaukee.

Alice Bieszczat

Associate Vice-President/Human Resources Management Consultant – GovHR/Voorhees Associates

Alice Bieszczat joined Voorhees Associates in early 2013 and brings almost 20 years of experience spanning the private, non-profit and public sectors to the organization. Ms. Bieszczat has a Master's Degree in Public Service Management and a Bachelor of Science Degree in Mathematics, both from DePaul University. In addition, she has provided human resources consulting services for both Voorhees Associates and The PAR Group, as well as non-profit consulting services for clients including the Ann & Robert H. Lurie Children's Hospital of Chicago, the North Shore Senior Center and the Archdiocese of Milwaukee.

Ms. Bieszczat's most recent consulting assignments for GovHR have included Classification and Compensation Studies in Illinois, Wisconsin and Indiana. In Illinois, she assisted with the studies in Hanover Park, New Lenox, Richton Park, Villa Park and Franklin Park. She has also worked on studies in New London, Wisconsin, the Baraboo District Ambulance Service in Wisconsin, and on the study for Munster, Indiana. She is currently serving as the Project Manager for the Classification and Compensation Study in Cross Plains, Wisconsin and in Waukesha.

Ms. Bieszczat also worked for the Chaddick Institute of Metropolitan Development at DePaul University. During her tenure there she helped implement programs advancing the field of urban planning and design review for municipalities in metropolitan Chicago. Her research on transportation innovations was published in the Transportation Research Journal and featured in national media such

as the *New York Times*, *Atlantic Cities* and *Planning* Magazine. She has lectured on transportation innovations in conference, seminar and university settings. At Lurie Children's Hospital of Chicago, Ms. Bieszczat led the Foundation Gifts team in securing leadership gifts to support its community-based outreach programs and the construction of its new facility in downtown Chicago. Ms. Bieszczat began her career in telephony. As a Radio Frequency Engineer for Sprint Cellular and Alltel, she partnered with local maintenance technician teams to plan, design, implement and optimize cellular phone networks nationwide.

Judith M. Schmittgens

Compliance and Client Relations Manager – GovHR, USA, LLC

Judy Schmittgens joined the Company in 2013 as the Compliance and Client Relations Manager for GovHR. She handles the company's licensing and certification requirements, monitors legislation pertinent to the company's business operations, and maintains the corporate records. She also assists with drafting proposals for classification and compensation studies and other business procurement opportunities, and has assisted with employee meetings for studies in Romeoville, Richton Park and Villa Park, Illinois and in Cross Plains and Waukesha, Wisconsin. Ms. Schmittgens is responsible for reviewing job descriptions for legal compliance, and has performed job description updates for numerous municipalities.

Ms. Schmittgens is an Illinois licensed attorney and has been in private practice for the past eighteen years. Prior to that, she was the Senior Counsel and Manager of Government Affairs for Interstate National Corporation (a division of Fireman's Fund Insurance Company), where she was responsible for contract and policy review, company and agent licensing, and litigation management.

Ms. Schmittgens received her law degree from Indiana University and her Bachelor's Degree in Political Science from Illinois State University.

EXHIBIT "A"
DISCLOSURE AND CONFLICT OF INTEREST

It is the City's policy to prevent actual, potential, or perceived conflicts of interest with its current and prospective vendors on behalf of its participant. In furtherance of this policy Firms are required to disclose:

1. Political Contribution Disclosure
   All vendors submitting a proposal to this RFP must provide a written disclosure of all political contributions made during the preceding three (3) years to the Mayor and/or City Council member's Campaign.

2. Non-Political Disclosures
   Firm is to disclose the relationship to anyone (spouse, father, mother, son, daughter, or immediate family) holding an elective office within the City of Aurora government: and/or a member of City Staff holding a management position within the City, or holding the positions of City Manager.

   The failure to provide written disclosures of political contributions or solicitations may result in the disqualification of a Firm.

   Firm is to provide any disclosures as a separate attachment.

   If Firm has no political contributions to report, indicate that Firm has no disclosure to report on the bottom of this page.

   These disclosures are not intended to prohibit or prevent any contract. The disclosures are used to fully and publicly disclose any potential conflict of interests.

Firm Name: GovHR USA, LLC

Signature: _____

Print name and title: Joellen Earl, CEO Date: 3/12/2015

_____ Attached Disclosures

x I do not have any disclosures to report

EXHIBIT "B"
REPRESENTATIONS AND CERTIFICATIONS

1. If the Firm retains any subcontractors to perform any portion of the services hereunder, then the Firm shall promptly provide notification, in writing, to the City's authorized representative. The Firm shall also disclose the names and addresses of all subcontractors and the expected amount of money each subcontractor will receive under the contract.

2. The firm acknowledges that a description of this Agreement shall be made available, to the public, and that all city contracts, including the name of the firm, the total amount applicable to the Agreement, the total fees paid or to be paid under the Agreement and a disclosure, submitted to the City Council describing the factors that contributed to the selection of the Firm.

3. The firm agrees to provide a full disclosure of direct and indirect fees, commissions, penalties, and other compensation, including reimbursement for expenses, which may be paid by or on behalf of the firm in connection with the provisions of this RFP.

ACKNOWLEDGED:

Firm Name: GovHR USA, LLC

Signature: _____

Print name and title: Joellen Earl, CEO

Date: 3/12/2015

EXHIBIT "C"

Guidelines and Instructions to Bidders/Vendors

Effective January 1, 2009 and pursuant to the State of Missouri's RSMo 285.530 (1), no business entity or employer shall knowingly employ, hire for employment, or continue to employ an unauthorized alien to perform work within the State of Missouri.

As a condition for the award of any contract or grant in excess pf five thousand dollar by the state or by any political subdivision of the state to a business entity, the business entity (Company shall, by sworn affidavit and provision of documentation, affirm its enrollment and participation in a federal work authorization program with respect to the employees working in connection with the contracted services. Every such business entity shall sign an affidavit affirming that it does not knowingly employ any person who is an unauthorized alien in connection with the contracted services. RSMo 285.530 (2)

RSMo 285.530 pertains to all solicitations for services over $5,000. RSMo 285.530 does not apply to solicitations for goods only. If a solicitation is for goods, RSMo 285.530 applies if the services portion of the solicitation is over $5,000. The City of Aurora requires the following bid and contract documents.

1. Firm shall comply with the provisions of Section 285.525 through 285.550 RSMo. Contract award is contingent on company providing an acceptable notarized affidavit stating:

    a. that company is enrolled in and participates in a federal work authorization program with respect to the employees working in connection with the contracted services: and
    b. that company does not knowingly employ any person who is an unauthorized alien in connection with the contracted services.

2. Additionally, company must provide documentation evidencing current enrollment in a federal work authorization program (e.g. electronic signature page from E-Verify program's Memo of Understanding (MOU).

The City of Aurora encourages companies that are not already enrolled and participating in a federal work authorization program to do so. Information is available at http://www.dhs.gov/xprevprot/programs/gc 1185221678150.shtm or by calling 1-888-464-4218.

EXHIBIT C
AFFIDAVIT OF PARTICIPATION IN A
FEDERAL WORK AUTHORIZATION PROGRAM

Comes now Joellen Earl (Name) as CEO (Office held) first being duly sworn, on my Oath, affirm GovHR USA, LLC (Company Name) is enrolled and will continue to participate in a federal work authorization program in respect to employees that will work in connection with the contracted services related to the services being provided to the City of Aurora for the duration of the contract, if awarded, in accordance with Section 285.530.2 RSMo. I also affirm that GovHR USA (Company Name) does not and will not knowingly employ a person who is An unauthorized alien in connection with the contracted services for the duration of the contract, if awarded.

(Attach Documentation showing that company participated in a Federal Work Authorization Program)

In Affirmation thereof, the facts stated above are true and correct. The undersigned understands that false statements made in this filing are subject to the penalties provided under Section 575.404 RSMo.

Signature of person in authority

Joellen Earl
Printed Name

CEO
Title

3/12/2015
Date

OFFICIAL SEAL
MELISSA DESANTIS
NOTARY PUBLIC – STATE OF ILLINOIS
MY COMMISSION EXPIRES AUGUST 19, 2018

State of ~~Missouri~~ Illinois

County of Cook

Subscribed and sworn to before me this 12 day of March, 2015, ~~20XX~~ 2014.

May Commission expires: August 19, 2018

Melissa DeSantis

Notary Public

EXHIBIT D

PROOF OF E-VERIFICATION WITH THE U.S. DEPARTMENT OF HOMELAND SECURITY

Electronic Signature Page

E-Verify

Company ID Number: 861014

Approved by:

Employer GovHR USA, LLC	
Name (Please Type or Print) Joellen Earl	Title
Signature Electronically Signed	Date 03/12/2015
Department of Homeland Security – Verification Division	
Name (Please Type or Print) USCIS Verification Division	Title
Signature Electronically Signed	Date 03/12/2015

EXHIBIT E
NON-COLLUSIVE AFFIDAVIT OF PRIME BIDDER

State of ~~Missouri~~ Illinois

County of Cook

Joellen Earl, being first duly sworn, deposes and says that:

1. He is the owner, partner, officer, representative or agent of GovHR USA, LLC, the Bidder that has submitted the attached Bid;

2. He is fully informed respecting the preparation and contents of the attached Bid and of all pertinent circumstances respecting such Bid;

3. Such Bid is genuine and is not a collusive or sham bid; and that all statements made and facts set forth in the bid are true and correct;

4. Neither the said Bidder not any of its officer, partner, owners, agents, representatives, employees, or parties in interest including this affidavit, has in any way colluded, considered, connived, or agreed, directly or indirectly with any other Bidder, firm, or person, to submit a sham for bid in connection with the Contract for which the attached bid has been submitted or to refrain from bidding in connection with such Contract; or has in any manner, directly or indirectly, sought by agreement or collusion or communication or conference with any other Bidder, firm or person to fix the price or prices in the attached Bid or of any other Bidder, ot to fix the overhead, profit or cost element of the Bid price of the other Bidder, or to secure through any collusion, conspiracy, connivance, or unlawful agreement any advantage against the City of Aurora or any person interested in the Proposed Contract.

5. The price or prices quoted in the attached Bid are fair and proper, and are not tainted by any collusion, conspiracy, connivance, or unlawful agreement on the part of the Bidder or any of its agents, representative, owners, employees, or parties in interest, including this affidavit; and

6. He further certified that Bidder is not financially interested in or financially affiliated with any other Bidder on this project.

Signed _____

Title CEO

Subscribed and sworn to before me this 12 day of March, 2015.

My Commission expires: August 19,2018

Melissa DeSantis

OFFICIAL SEAL
MELISSA DESANTIS
NOTARY PUBLIC – STATE OF ILLINOIS
MY COMMISSION EXPIRES AUGUST 19, 2018