



**Proposal for Compensation Planning Services for
Town of Richmond
October 27, 2019**

Background information:

The Town of Richmond is reviewing its pay grid and is seeking guidance on possible updates. The grid was last updated slightly over a year ago; however, some questions have arisen from employees about specific positions, pay, and step placement. Town Manager Josh Arneson is seeking an external review and recommendations from a compensation consultant. The initial goal is to understand whether the pay rates in the current grid are competitive. Other goals include understanding where pay rates should be at various levels of tenure, understanding whether any changes need to be made to the existing grid, and identifying any recommendations for change to strengthen the grid.

Option 1: Position Market Pricing

Market Pricing review of individual position(s). HR Delta, LLC and designated individuals from the Town of Richmond will meet to review the job description(s) and match the position(s) to market data in a salary benchmarking tool (PayFactors). Market Median Values for up to two Pay Markets can be identified for each job being reviewed. Pay Markets are defined scopes that allow an organization to price a single job multiple ways. Pay Markets consider industry, organizational size, and location. Additional Pay Markets for each position are available for review at an additional fee. Supplemental market data may also be provided by the Town of Richmond for additional consideration, if desired.

*\$450 per position – flat fee
\$4500 for all Non-Union Positions – flat fee*

Option 2: Market Pricing and Tenure Review

Perform all steps outlined in Option 1, then build a range around the Market Median Value for the position(s) and use tenure data supplied by the Town of Richmond to determine a hypothetical placement for the incumbent(s) within the pay range based upon the incumbent's

tenure within both the organization overall and at their current level. Supplemental market data may also be provided by the Town of Richmond for additional consideration, if desired.

*\$550 per position – flat fee
\$5500 for all Non-Union Positions – flat fee*

Option 3: Conduct Full Market Study and Update the Pay Grid

Perform all steps outlined in Option 2, then consider this information against the existing non-union pay grid and recommend updates to the grid accordingly.

\$7750 for all Non-Union Positions – flat fee

Additional Options:

Step Movement Recommendation:

- Review recent communications from roll-out of current step grid.
- Identify any existing step placement or movement definitions in those communications or in practice, if any.
- Review recent placement and movement within the step grid.
- Work with the Town of Richmond to identify a set of guidelines to interpret the step plan to assist with the placement of new hires into, and movement of existing employees within, the grid.

\$1,000 – flat fee

Grid Review and Recommendations without Market Data

If all that is desired is compensation planning focused internally (not on the broader employment market) based upon relative growth, HR Delta, LLC could:

- Perform the work identified in the Step Movement Recommendation item above.
- Review the existing grid and make any initial modification recommendations that may emerge.

Note: This option may have limited utility for addressing the question at hand, as it will not include competitive market pricing information.

\$2,500 - flat fee

I am very much looking forward to working with you on this project!

Michelle Lewis, SPHR, SHRM-SCP, CBP, CCP
HR Consultant
HR Delta, LLC