

**AMENDMENT TO PROVIDE
PROFESSIONAL
HUMAN RESOURCE MANAGEMENT CONSULTING SERVICES
TO
LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT**

THIS AMENDMENT to a contract executed September 2012, and entered into this 12th day of December 2013, and effective immediately by and between **Management Advisory Group International, Inc.** (hereinafter called the "Consultant") and **The Lexington Fayette Urban County Government** (hereinafter called the "Client"), **WITNESSETH THAT:**

WHEREAS, the Client is interested in obtaining additional professional human resource management consulting services to assist in a Compensation and Classification Study,

WHEREAS, the Compensation and Classification project has been initiated and numerous tasks have already been completed, and this agreement is established to ensure a legal basis for completion of the balance of the work plan.

WHEREAS, this Amendment, if in conflict with the original contract executed in September 2012, will supersede the provisions of the September 2012 contract.

NOW THEREFORE, the parties hereto mutually agree as follows:

1. **Employment of Consultant.** The Client agrees to engage the Consultant and the Consultant hereby agrees to perform the services described in Appendix A
2. **Scope of Services.** The Consultant shall do, perform and carry out in a good and professional manner human resource management consulting services as noted in the attachment A
3. **Time of Performance.** The services performed hereunder by the Consultant shall be undertaken and completed in such sequence so as to ensure their expeditious completion of the tasks. The work will commence within ten (10) days of signatures by both parties and will be completed within a time period agreed to by the Consultant and the Client. If this Agreement is signed by December 6, 2013, the project is expected to be completed by March 31, 2014, or earlier. An outstanding invoice in the amount of \$9,000 will be paid prior to the consultant completing the balance of the work.
4. **Method of Payment.** Monthly amounts will be invoiced as the work proceeds. Additional payments shall be due and payable within 30 days of submission in accordance with invoices based upon work performed toward delivery of final reports and products as described herein. The final \$5000 will be due and payable upon completion of the project.
5. **Compensation.** Total cost of the remaining services shall not exceed Twenty Eight Thousand Dollars (\$28,000), including anticipated business expenses. This amount is exclusive of fees invoiced for the Compensation and Classification project prior to the signing of this Amendment. The fees to be provided do not include services provided by the Consultant following submission of its final report and recommendations. No tasks shall be undertaken without prior notification. Client agrees to pay Consultant at a rate of two hundred dollars (\$200.00) per professional hour expended and fifty-five dollars (\$55.00) per clerical hour expended, plus expenses for any additional work beyond the original scope of this Agreement. Any on-site

requirements shall include directly related travel expenses and professional time.

6. **Changes.** The Client may, from time to time, require changes in the scope of services of the Consultant to be performed hereunder. Such changes, which are mutually agreed upon by and between the Client and the Consultant, shall be incorporated in written amendment to this agreement.

7. **Services and Materials to be Furnished by the Client.** The Client shall furnish the Consultant with all available necessary information pertinent to the execution of this agreement. The Client shall cooperate with the Consultant in scheduling and carrying out the work herein.

8. **Terms of Contract.** The terms of this contract shall be in effect until the completion date or March 31, 2014, whichever is later. Client reserves the right to expand the scope of work through an extension of the contract for a mutually agreed amount.

9. **Rights to Terminate Contract.** The terms of this contract shall be in effect until completed or March 31, 2014, whichever is later. The expectation is that the project will be completed or near completion by March 31, 2014. The agreement will not renew or extend at that time and shall terminate absolutely without further obligation on the part of the Client or the consultant unless extended in a written amendment approved by the Client and Consultant. Both parties shall have the right to terminate this agreement on thirty (30) days written notice. In the event of termination of contract by the Consultant, the Consultant will be responsible for performing all services for which payment has been made, and Consultant shall produce all reports and documents to Client relating to the performance of such services. In the event of termination of the contract by Client, the Client will be responsible for payment for all services delivered through the date of termination.

10. **Indemnification and Insurance.** The Risk Management provisions of RFP No. 23-2012 are incorporated herein as if fully stated..

11. **Copyright, Trade Secrets and Security.** LFUCG acknowledges that certain report formats to be provided by the Consultant are copyrighted. However, in accordance with applicable "Public Records" laws, each file and all papers pertaining to any activities performed for or on behalf of LFUCG are public records available for inspection by any person even if the file or paper resides in the Consultant's office or facility. LFUCG shall agree, to the extent permitted by law, to protect any information deemed a trade secret as that term is used within applicable statutes. Consultant asserts that its *Classification Manager*® software, Job Analysis Questionnaire (JAQ), methodology section of the proposal, and software development manuals and related documentation for the software are trade secrets and as such are not subject to disclosure. Such software is a part of the final phase of the project and will not be provided if the contract is terminated by either party, prior to project completion and full payments.

12. **Information and Reports.** The Consultant shall, at such time and in such form as the Client may require, furnish such periodic reports concerning the status of the project as may be requested by the Client. The Consultant shall furnish the Client, upon request, with copies of all documents and other materials prepared or developed in relation with or as a part of the project.

13. **Records and Inspections.** The Consultant shall maintain full and accurate records with respect to all matters covered under this agreement. The Client shall have free access at all proper times to such records and the right to examine and audit the same and to make transcripts therefrom, and to inspect all program data, documents, proceedings and activities.

14. **Accomplishment or Project.** The Consultant shall commence, carry on, and complete requested projects with all practicable dispatch, in a sound economical and efficient manner, in accordance with the provisions thereof and all applicable laws. In accomplishing requested projects, the Consultant shall take such steps as are appropriate to ensure that the work involved is properly coordinated with related work being carried on within the applicable work area.

15. **Provisions Concerning Certain Waivers.** Subject to applicable law, any right or remedy which the Client may have under this contract may be waived in writing by the Client by means of a formal waiver, if, in the judgment of the Client, this contract, as so modified, will still conform to the terms and requirements of pertinent laws.

16. Matters to be Disregarded. The titles of the several sections, subsections, and paragraphs set forth in this contract are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of the provisions of this contract.

17. Completeness of Amendment. This contract and any additional or supplementary document or documents incorporated herein by specific reference contain all of the terms and conditions agreed upon by the parties hereto, and no other agreements, oral or otherwise, regarding the subject matter of this contract or any part thereof shall have any validity or bind any of the parties hereto.

18. The Client not Obligated to Third Parties. The Client shall not be obligated or liable hereunder to any party other than the Consultant.

19. When Rights and Remedies Not Waived. In no event shall the making by the Client of any payment to the Consultant constitute or be construed as a waiver by the Client of any breach of covenant, of any default which may then exist, on the part of the Consultant, and the making of any such payment by the Client while any such breach or default exists shall in no wise impair or prejudice any right or remedy available to the Client in respect to such breach or default.

20. Personnel. The Consultant represents that he has, or will secure at his own expense, all personnel required in performing the services under this amendment. Such personnel shall not be employees of or have any contractual relationship with the Client. All of the personnel engaged in the work shall be fully qualified to perform such services.

21. Consultant Certification. The Consultant certifies that the Consultant has not been convicted of bribery or attempting to bribe any officer or employee of the Client nor has the Consultant made an admission of guilt of such conduct which is a matter of record.

22. It is agreed that MAG will present the final study results to Council and the Administration, likely in separate meetings, at mutually agreeable dates/times.

23. Notices. Any notices, bills, invoices, or reports required by this agreement shall be sufficient if sent by the parties hereto in the United States mail, postage paid, to the addresses noted below.

Management Advisory Group International, Inc.
13580 Groupe Drive, Suite 200
Lake Ridge, Virginia 22192
(703) 590-7250

IN WITNESS WHEREOF, the Client and the Consultant have executed this agreement as of the date first written above.

CLIENT

By: _____

Print Name

Title


JIM GRAY

MAYOR LEUCG



Management Advisory Group International, Inc.

Carolyn Long
Executive Vice President
Management Advisory Group International, Inc.
13580 Groupe Drive, Suite 200
Woodbridge, Virginia 22192

**CITY OF LEXINGTON
PROJECT PHASES & WORKPLAN**

- | | |
|-------------|---|
| Phase I: | Project Initiation |
| Phase II: | Development of Compensation Study Survey Instrument |
| Phase III: | Conduct Compensation Study Survey |
| Phase IV: | Conduct Interviews & Orientation Meetings |
| Phase V: | Analyze Compensation Study Survey Data |
| Phase VI: | Conduct Job Analysis & Develop Revised Pay Plan |
| Phase VII: | Develop & Submit Draft Project Report |
| Phase VIII: | Develop & Submit Final Project Report |
| Phase IX: | Conduct Software Training & Technology Transfer |

In order to meet the project's timeline, some of the proposed project activities and tasks indicated below will occur simultaneously.

Phase I: Project Initiation

Objective: To develop a project plan acceptable to all parties, gather pertinent project related data, finalize contractual negotiations, and establish a timeline for project activities and deliverables.

Activities:

- Meet with HR and departmental staff to discuss the projects goals and objectives, and to coordinate on-site activities.
- Execute Project Contract.
- Gather required project data/information, such as current class descriptions, current pay plan, administration policies and procedures, and organization charts.
- Gather employee information in required database format.
- Establish a mutually agreed-upon project work plan, time lines, deliverables, and monitoring procedures that will lead to the successful accomplishment of all project objectives.

Deliverable(s):

- Finalized Project Work Plan.
- Project Contract.

Phase II: Development of Compensation Study Survey Instrument

Objective: To develop a salary/compensation survey instrument to gather compensation data from survey targets, establish a list of benchmark classifications for inclusion in the survey, and define benchmark organizations or agencies as target respondent organizations.

Activities:

- Select appropriate market survey target employers that offer comparable employment opportunities.
- Establish list of benchmark classifications for inclusion in the salary survey.
- Develop draft market salary survey instrument to gather compensation data.
- Review Draft Survey with the Project Manager; revise as necessary and appropriate.
- Develop Final Salary Survey Instrument.

Deliverable(s):

- Market Survey Targets and Benchmark Classifications.
- Survey Instrument.

Phase III: Conduct Compensation Study Survey

Objective: To conduct a salary/compensation survey of included classifications.

Activities:

- Conduct survey via internet, on-site visits, telephone, mail, and e-mail.
- Review/clean collected compensation data and compare to current data.
- Develop market compensation summary by benchmark classification.

Deliverable(s):

- Survey Responses.

Phase IV: Conduct Interviews and Orientation Meetings

Objective: To collect job related information from employees included in the study and to conduct a job analysis of all included positions.

Activities:

- Conduct orientation meetings and distribute information on the **Job Analysis Questionnaires®** (JAQ) and data gathering instrument. The JAQ is written in an understandable and easy-to-read format. Employees can list the job duties and responsibilities that they regularly perform and any recent changes in work routine. The questionnaire will capture job data for such factors as education levels, experience, decisions, guidelines, complexity, scope and effect, physical demands, and work environment. This will ensure that the entire proposed pay and classification plan "fits" together in a coordinated manner.

- Provide Administrative Issues forms to managers, supervisors, and key staff for their concerns regarding staffing, salary, and recruitment/retention issues. This will be a key component to the communications process, whereby key staff will be able to identify problems and clarify their own roles and responsibilities during the study process.

- Review the Administrative Issues forms completed by administrators, managers, and supervisors to identify comments concerning position levels and descriptions.

- Establish and conduct interviews with Department Heads to understand the operations and clarify classification and compensation issues within the organization.

Deliverable(s):

- **Job Analysis Questionnaires®** (JAQ).
- Special Issues forms.

Phase V: Analyze Compensation Study Survey Data

Objective: To gather, compile and analyze salary/compensation data from respondent organizations and agencies in order to develop a proposed compensation plan.

Activities:

- Review and analyze market compensation data; compare to current data.
- Recommend any needed compensation adjustments to the current system.
- Create a salary design that meets the varying needs of different groups of employees.
- Adjust the compensation architecture as needed to ensure that both the current and future needs are met.
- Provide for internal executive/administrative review.

Deliverable(s):

- Draft Salary Survey Results.

Phase VI: Conduct Job Analysis & Develop Revised Pay Plan

Objective: To conduct a job analysis of all included positions and develop a revised pay and classification plan.

Activities:

- Review the Administrative Issues forms completed by administrators, managers, and supervisors to identify comments concerning position levels and descriptions.
- Conduct position analysis and evaluate the structure of the current classification plan(s) in terms of:
 1. supporting the overall goals and objectives;
 2. its ability to provide compensation comparability between and among various groups and classes of positions;
 3. its ability to provide a meaningful salary level that not only recognizes the external market, but also recognizes credentials, certifications and experience (length of service);;

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4. streamlining the classification process to aid the human resources department in assignments of future jobs or in recognizing the needs for changed or additional job classes; and
 5. developing an initial set of recommended changes in the structure of the current classification system.
- Review recommended changes with the Project Manager and appropriate management staff and make appropriate revisions.
 - Determine the need for any new job classifications, as appropriate, based upon above analyses.
 - Develop revised pay plan(s).
 - Develop guidelines for maintaining the classification system.
 - Provide for internal review.

Deliverable(s):

- Revised Grade Order List & Pay Plan(s).
- Reclassification recommendations (if applicable).

Phase VII: Develop & Submit Draft Project Report

Objective: To develop a draft report based on previous study activities and tasks.

Activities:

- Integrate project data and deliverables from previous project tasks into a draft report for internal review.
- Provide draft project findings to management for technical review.

Deliverable(s):

- Draft Report.

Phase VIII: Develop & Submit Final Project Report

Objective: To develop a final report of project results, findings and recommendations.

Activities:

- Revise draft report as necessary and appropriate based on technical review, database additions/update and administrative review; develop and deliver final report.
- Present project findings to administration.
- Provide all study documentation.

Deliverable(s):

- Final Report.
- All Study Documentation.

Phase IX: Conduct Software Training & Technology Transfer

Objective: To provide the results of the project, software system, and, if requested, training for HR staff.

Activities:

- Provide for technology transfer of project related data and materials.
- Conduct software and plan training for selected HR personnel.

Deliverable(s):

- MAG's **Classification Manager**® software.
- **Classification Manager**® Training/User Manual.
- Training seminar for selected HR staff on **Classification Manager**® software, plan polices, and guidelines for maintenance.

Project Timeline

Management Advisory Group's (MAG) ability to adhere to defined timetables will be to some extent dependent on timely action by management and staff in providing necessary data, determining philosophical approaches to be taken, and the acceptance or need for revisions to draft instruments or study products.

MAG is committed to providing assistance through the period of implementation. MAG's HR consulting staff will provide technical phone assistance, and assist in answering questions concerning the study during that time.

Activities completed on site will be maximized to ensure project team efficiency. For example, project initiation, orientation meetings, and department head interviews may be combined into one visit. A Council presentation and software training is also typically combined into one visit.

MAG has developed a proposed a 90 day timeline for this study based on the following primary project components and/or phases.

**CITY OF LEXINGTON
PROJECT PHASES**

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|-------------|---|
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