


Lexington-Fayette Urban County Government
DIVISION OF HUMAN RESOURCES

Jim Gray
Mayor

Janet Graham
Commissioner

M E M O R A N D U M

TO: Jim Gray, Mayor
Sally Hamilton, Chief Administrative Officer
Council Members

FROM: 
John Maxwell, Director
Division of Human Resources

DATE: August 19, 2013

SUBJECT: Amend Agreement with Management Advisory Group (MAG)

In the fall of 2012, MAG performed Phase I of our compensation study which included an analysis and review of our system. Phase I is now complete and we are ready to begin Phase II.

The Division of Human Resources requests Council authorization to amend the agreement with Management Advisory Group International for human resource management consulting services to include the performance of a comprehensive outside classification and compensation review (project outline attached) at a cost not to exceed \$45,000.

Funds are budgeted.

Log #14-0013

Project Understanding

In the database provided, the City currently has 1,337 positions, consisting of approximately 280 classifications.

MAG will be requested to:

- ✓ Finalize work plan and goals/objectives.
- ✓ Identify additional benchmarks (up to 35 for a total up to 50) and targets and add to existing **MarketManager** software database. Conduct and complete survey.
- ✓ Load Job Analysis Questionnaire (JAQ) forms to MAG website for completion by employees.
- ✓ Conduct orientation sessions for employees to ensure excellent JAQ completion. Monitor JAQ completion and provide progress reports.
- ✓ Outline a framework for a Compensation Philosophy.
- ✓ Meet with Department Heads and key management to review positions all under supervision in each Department and discuss classification issues.
- ✓ Review framework of a Compensation Philosophy with elected officials. Complete the framework and a detailed Compensation Philosophy.
- ✓ Meet with HR to discuss compensation design options.
- ✓ Download completed JAQ's; evaluate classes; address classification issues; apply market data in **ClassificationManager** software; develop pay structure; assign classes; generate tables.
- ✓ Develop draft report tables and report; discuss internally; provide implementation options that minimize cost impact, but provide a full transition to a new compensation architecture.
- ✓ Install **ClassificationManager** software in HR and train appropriate HR staff.

These are services that MAG has provided for many years to many public sector clients.