

REQUEST FOR PROPOSAL

Compensation & Benefits Study

Including Wage Analysis & Pay Scale Development

Issuing City:	City of Gaylord
RFP Issue Date:	April 1, 2026
Proposal Due Date:	April 30, 2026
Project Start Date:	July 2026
Point of Contact:	Erika Peters, Assistant City Manager/HR Manager peterse@cityofgaylord.org

1. Introduction & City Overview

The City of Gaylord (hereinafter referred to as "the City") is issuing this Request for Proposal (RFP) to solicit competitive proposals from qualified consulting firms or compensation specialists to conduct a comprehensive Compensation and Benefits Study. This study will provide the City with actionable data and tools to attract, retain, and fairly compensate its workforce.

The City currently employs approximately 40 full-time equivalent employees across six departments and 20 distinct job classifications. Our workforce spans roles in City Administration, Police Administration and Department Staff, and Public Works which includes street laborers, water, and wastewater operators.

This RFP outlines the scope of work, required deliverables, evaluation criteria, and submission requirements. The City encourages proposals from firms with demonstrated experience in public/private sector compensation consulting, job evaluation methodologies, and market benchmarking.

2. Background & Purpose

The City has not undergone a comprehensive review of their compensation structure. Labor market conditions, industry standards, and internal needs have evolved significantly, and the City feels it is

time to formally review its practices. Leadership has identified the following challenges driving this initiative:

- Lack of a formalized, defensible pay structure
- Pay equity concerns across departments, job levels, and employee demographics
- Absence of a consistent job evaluation methodology for classifying new and evolving roles

The primary purpose of this engagement is to establish a transparent, equitable, and market-competitive compensation program that supports the City's strategic goals and budget realities.

3. Scope of Work

The selected vendor shall perform all tasks necessary to complete the following scope. Vendors may propose alternative or supplementary methodologies where they believe a superior approach exists, provided all required deliverables are met.

3.1 Project Kick-Off & Discovery

- Meet with HR leadership, department heads, and key stakeholders to understand City goals, culture, and compensation philosophy
- Review existing job descriptions, City charts, pay history, and personnel data
- Assess the current classification structure and identify gaps or inconsistencies
- Develop a detailed project plan with milestones and deliverable timelines

3.2 Job Analysis & Documentation

- Review and update all existing job descriptions (estimated 20 positions) to ensure accuracy and completeness
- Conduct structured job analysis interviews or surveys with incumbent employees and supervisors for a representative sample of positions
- Identify and document the essential functions, required knowledge, skills, abilities (KSAs), and minimum qualifications for each position
- Develop or refine job families and career ladders where applicable

3.3 Market Wage Analysis

This is a required core deliverable. The vendor shall conduct a thorough external market analysis including:

- Identify appropriate labor market comparators (industry peers, geographic competitors, and sector benchmarks) in consultation with the City
- Match all City positions to comparable market benchmarks using position-level, not title-level, matching methodology

- Present market data at the 25th, 50th (median), 75th, and 90th percentile levels for each benchmarked role
- Analyze internal pay equity relative to external market data, identifying positions that are significantly above or below market
- Provide a gap analysis showing the cost to bring below-market positions to target market competitiveness
- Segment analysis by department, FLSA status, job family, and geographic location as applicable

3.4 Pay Scale Development — Point Factor or Alternative System

This is a required core deliverable. The vendor shall design and implement a formal job evaluation and pay grade system. The preferred methodology is a Point Factor system; however, proposals may present alternative market-based, classification-based, or hybrid methodologies with justification.

The pay scale system shall include:

- Development or customization of a Point Factor job evaluation plan with defined compensable factors and sub-factors (e.g., knowledge/education, complexity, responsibility, working conditions, supervisory scope)
 - Recommended compensable factors shall be weighted to reflect City values and priorities
 - Each factor shall have clearly defined degree levels with point assignments
- Evaluation of all positions using the adopted system, assigning total point scores to each job
- Design of a pay grade structure with a recommended number of grades/bands based on the range of point scores
- Establishment of pay ranges for each grade, including minimum, midpoint, and maximum, aligned to the target market position selected by the City (e.g., 50th or 75th percentile)
- Range spread recommendations appropriate by job level (e.g., 40%-60% spread for lower grades; 50%-80% for senior/executive roles)
- Placement of all positions into the recommended grade structure
- Development of a pay administration policy and guidelines for within-grade progression, promotion increases, and new hire placement
- Identification of employees currently outside (below minimum or above maximum) of their assigned pay range, with cost modeling for remediation

3.5 Benefits Benchmarking

- Conduct a high-level benchmarking of the City's current benefits offerings (health, dental, vision, retirement, leave, etc.) against market comparators
- Identify gaps or competitive advantages in the current benefits package
- Provide recommendations for benefits enhancements that offer strong return on investment and employee value

3.6 Implementation Support

- Present findings and recommendations to the HR Manager and City leadership
- Provide a phased implementation roadmap with cost projections for moving to the recommended pay structure
- Deliver a communication toolkit (talking points, FAQ document, and manager guide) to support the rollout of new compensation structures to employees
- Conduct up to three follow-up meetings or Q&A sessions post-delivery.

4. Required Deliverables

The following deliverables are required as part of this engagement. All documents shall be provided in both Microsoft Word/Excel and PDF format unless otherwise noted.

#	Deliverable	Format
1	Project Work Plan & Timeline	Word / PDF
2	Job Analysis Summary Report	Word / PDF
3	Updated Job Descriptions (all positions)	Word
4	Market Wage Analysis Report with Benchmarking Data	Word / Excel / PDF
5	Pay Equity Analysis (internal & external)	Excel / PDF
6	Point Factor Job Evaluation Plan & Scoring Matrix	Excel / PDF
7	Pay Grade Structure with Salary Ranges	Excel / PDF
8	Position-to-Grade Placement Report	Excel / PDF
9	Cost-to-Implement Model (Phased)	Excel / PDF
10	Benefits Benchmarking Summary	Word / PDF
11	Implementation Roadmap	Word / PDF
12	Employee/Manager Communication Toolkit	Word / PDF
13	Executive Presentation of Findings	PowerPoint / PDF

5. Project Timeline

The City anticipates the following general project timeline. Vendors shall propose a detailed timeline within their proposal, with milestone dates aligned to this framework.

Phase	Activities	Estimated Duration
Phase 1 — Discovery & Planning	Kick-off, data collection, job analysis	Weeks 1–4

Phase 2 — Market Analysis	Benchmarking, data collection, wage analysis	Weeks 3–8
Phase 3 — Job Evaluation & Pay Design	Point factor scoring, grade structure design	Weeks 6–12
Phase 4 — Benefits Benchmarking	Benefits comparison and gap analysis	Weeks 8–12
Phase 5 — Draft Deliverables	All draft reports submitted for review	Week 13
Phase 6 — Final Deliverables & Presentation	Revisions, final reports, executive presentation	Weeks 14–16

Note: The City expects the engagement to be completed within approximately four (4) months of contract execution.

6. Vendor Qualifications

Proposals will only be considered from vendors who can demonstrate the following minimum qualifications:

- A minimum of five (5) years of experience conducting compensation studies and pay structure design for Citys of comparable size and complexity
- Demonstrated experience designing and implementing Point Factor or equivalent job evaluation systems
- Access to recognized, current compensation survey data sources
- Evidence of relevant professional credentials among project team members (e.g., CCP — Certified Compensation Professional, SHRM-SCP, SPHR, or equivalent)
- Demonstrated commitment to pay equity analysis and compliance with applicable employment laws

Preference will be given to firms with experience in the public sector.

7. Proposal Requirements

Proposals shall be submitted electronically in PDF format to peterse@cityofgaylord.org no later than April 30, 2026 at noon. Late submissions will not be considered. Proposals shall be organized as follows:

7.1 Cover Letter

One-page letter confirming the firm's interest, understanding of the project, and ability to meet the project timeline and deliverable requirements.

7.2 Firm Overview & Qualifications

- Brief history of the firm and relevant areas of practice
- Summary of experience with similar compensation studies
- Description of access to compensation data sources and survey subscriptions

7.3 Project Team

- Names, titles, and qualifications of individuals assigned to this project
- Identification of the primary point of contact for this engagement

7.4 Technical Approach & Methodology

- Detailed description of the proposed approach for each scope element
- Methodology for job analysis, market benchmarking, and data sources to be used
- Description of the proposed job evaluation system (Point Factor or alternative) with rationale
- Proposed number of pay grades and range structure approach
- Quality assurance processes

7.5 Proposed Project Timeline

A detailed timeline with specific milestones and deliverable dates, beginning from contract execution.

7.6 References

Contact information for three (3) professional references for similar completed projects, including client name, contact person, phone, email, and a brief description of the engagement.

7.7 Fee Proposal

- All-inclusive fixed fee for the full scope of work as described in Section 3
- Itemized breakdown of fees by phase or deliverable
- Hourly rates by staff level for any potential out-of-scope work
- Identification of any costs not included in the fee (e.g., travel, data subscription fees)
- Payment schedule tied to deliverable milestones

7.8 Sample Work Products

Vendors are encouraged to provide redacted samples of prior deliverables, particularly a sample pay grade structure and a sample Point Factor evaluation matrix.

8. Evaluation Criteria

Proposals will be evaluated by a selection committee using the following weighted criteria:

Evaluation Criterion	Weight	Max Points
Technical Approach & Methodology	30%	30
Relevant Experience & Qualifications	25%	25
Proposed Project Team Credentials	15%	15
Cost / Fee Proposal	20%	20
References & Sample Work Products	10%	10
TOTAL	100%	100

The City reserves the right to request oral presentations or interviews with shortlisted vendors prior to making a final selection.

9. Selection Process & Schedule

Milestone	Target Date
RFP Issued	April 1, 2026
Pre-Proposal Questions Deadline	April 20, 2026
Proposal Submission Deadline	April 30, 2026
Evaluation & Shortlisting	May 2026
Intent to Award Notification	May 2026
Contract Execution	July 1, 2026
Project Kick-Off	July 2026

10. Terms & Conditions

10.1 Questions & Clarifications

All questions regarding this RFP shall be submitted in writing via email to peterse@cityofgaylord.org no later than April 20, 2026. Questions and answers will be distributed to all registered vendors via addendum. No verbal responses shall be binding.

10.2 Right to Reject

The City reserves the right to reject any or all proposals, to waive irregularities, and to accept the proposal deemed most advantageous to the City. This RFP does not constitute a contract or commitment to award a contract.

10.3 Confidentiality

Vendors shall treat all data, records, and information received from the City as strictly confidential. Vendors must agree to execute a Non-Disclosure Agreement (NDA) prior to receiving any sensitive personnel or payroll data.

10.4 Ownership of Work Product

All deliverables, data, reports, methodologies, and work products produced under this engagement shall become the exclusive property of the City upon final payment.

10.5 Insurance Requirements

The selected vendor shall maintain, at minimum, the following insurance coverage throughout the engagement: General Liability (\$1,000,000 per occurrence), Professional Liability/Errors & Omissions (\$1,000,000 per occurrence), and Workers' Compensation as required by law.

10.6 Conflict of Interest

Vendors must disclose any potential conflicts of interest, including any current or prior consulting relationships with competing Cities in the same market. The City reserves the right to disqualify proposals where a conflict of interest exists.

10.7 Proposal Costs

The City will not reimburse any costs incurred by vendors in the preparation or submission of proposals.

Appendix A: Submission Checklist

Vendors should confirm all of the following items are included in their submission:

- Cover Letter (signed)
- Firm Overview & Qualifications
- Project Team Information
- Technical Approach & Methodology (all scope elements addressed)
- Proposed Project Timeline with milestones
- Three (3) Client References

- Fee Proposal (itemized)
- Sample Work Products (recommended)
- Signed Conflict of Interest Disclosure
- Proof of Insurance or Certificate of Insurance

Appendix B: Glossary of Key Terms

Term	Definition
Compensable Factors	Job-related criteria used in a Point Factor system to measure and assign value to positions (e.g., education, complexity, accountability).
Market Pricing	The process of matching internal jobs to external market survey data to determine competitive pay rates.
Pay Equity	The concept of ensuring employees are paid fairly and without discrimination based on protected characteristics.
Pay Grade	A defined salary band within a compensation structure, containing a minimum, midpoint, and maximum pay rate.
Pay Range Spread	The percentage difference between the minimum and maximum of a pay range, expressed as a percentage of the minimum.
Point Factor System	A quantitative job evaluation method that scores positions on multiple compensable factors to determine relative job worth.
Salary Midpoint	The middle value of a pay range, typically aligned to the target market percentile.
Market Percentile	A statistical measure indicating where the City's pay falls relative to the broader market (e.g., 50th percentile = market median).
FLSA	Fair Labor Standards Act — federal law governing minimum wage, overtime, and exempt/non-exempt employee classifications.

END OF REQUEST FOR PROPOSAL

Thank you for your interest in partnering with the City of Gaylord. We look forward to reviewing your proposal.