



TOWN OF VAIL REQUEST FOR PROPOSALS

Compensation Consulting

February, 2022

OVERVIEW

The Town of Vail is seeking proposals from qualified consultants to conduct compensation consulting services, including a classification analysis, compensation study, and compensation system recommendations.

Vail was founded as a ski resort in 1962 and was incorporated as a statutory town in 1966, adopting a Home Rule Charter in 1972. Vail has a Council-Manager form of government and is led by a seven member Town Council elected at-large. The Town of Vail has a total of 300 full-time and up to 60 seasonal/part-time employees.

Vail is located in Eagle County, Colorado, approximately 100 miles west of Denver on Interstate 70. The resort community encompasses about 8.5 miles in the Colorado Rocky Mountains. In 2016, Vail celebrated its 50th year of incorporation as a municipality with 5,300 permanent residents, 8,500 part-time residents, and as many as 35,000 daily guests during the peak winter season with summer event weekends rivaling the winter season. Vail's economy is driven by tourism with over 2.8 million visitors each year.

BACKGROUND

Following a recent review of our compensation philosophy, the town's goals in this process are to analyze and recommend changes to our present compensation structure and provide the organization with a transparent and sustainable model to attract and retain highly qualified employees in our resort community. Additional compensation system outcomes include providing validation or revision of the position classification structure, suggesting competitive incumbent and new hire pay rates, providing structure for professional progression/growth opportunities, and to adopt a strategy to optimize our investment in compensation and manage rising employment costs.

The Town's Pay & Performance Policy was updated with minor revisions in 2002 and is currently under revision to align with our newly revised compensation philosophy (Attachment A). Historically, pay ranges have been reviewed annually and minor adjustments made if warranted based on a review of recent survey data. The Town has primarily operated under a pay-for-performance philosophy centered on annual performance review ratings with merit increases ranging from 0% to 4% in 2021. A skills-based progression is available for Police Officer positions and non-exempt Fire shift personnel. The town provided a 2% market adjustment for employees in 2022 as the first step in implementation of the revised compensation philosophy and is currently evaluating individual position placement in grade ranges. The next step in implementation is completion of the compensation market study to evaluate market position with updated data.

SCOPE OF WORK

The Town of Vail seeks proposals from consultants experienced in compensation structure, analysis, and comparison to assist the Town in reviewing and evaluating our compensation practices.

The scope of work will include, but not limited to, a process which includes the following:

Conduct a comprehensive analysis of the current compensation program and make recommendation for improvement to align with the new compensation philosophy and suggest plans to address issues including but not limited to target comparison market, internal equity assessment, competitive salary analysis, index or standards for use in setting compensation objectives, and strategies for critical skill recruitment and retention.

- Meet with the Town to review/discuss and finalize needs assessment and project goals, process, schedule, and other administrative details.
- Review and analyze the existing job descriptions, pay philosophy, FLSA designation, position evaluation system and other background information. Make recommendations for any updates and/or changes to existing policies, practices, forms, and other information.
- Evaluate and propose revisions to or create a new classification structure with recommendations for assignment for all positions within this structure commensurate with level of complexity, responsibility, knowledge, skills and abilities and/or other compensable factors. Provide implementation plan, process outline, and materials/guidance documents for future internal administration.
- Identify competitive labor market comparisons and/or comparable organization groups for position classifications and conduct a full compensation survey, complete with recommendations and cost of implementation to align with our compensation philosophy.
- Analyze existing individual employee compensation, identify recommendations for review and propose implementation methods to address issues/concerns.
- Recommend compensation levels, range spread, and range placement for positions based on market survey and internal equity analysis.
- Provide methods to address internal inequities, pay compression and market adjustments.
- Present solutions that explore innovative or unique ideas that incentivize premier performance and service levels in the organization.
- Create recommendations that enables compensation structure to align professional progression/growth opportunities and competency standards within compensation program.
- Develop recommendations for use of reputable and reliable data driven standards or resources for implementation of compensation objectives and future maintenance (annual or periodic) of the compensation program.
- Present multi-year recommendations and rationale for recommendations in written report and present compensation plan and implementation plan with key stakeholder groups. Prepare and present an analysis outlining the fiscal impact of each recommendation.
- Develop employee communications plan to explain the process and implementation of recommendations.
- Work with the Human Resources Department, Town Manager's office, and other key staff in implementing the plan and strategies maintaining the program in the future.
- Serve as a resource for the Human Resource Department for compensation requests (such as position classification, equity adjustments, and hiring salaries) during the project and implementation.

SUBMITTAL REQUIREMENTS

Elements to be included in the Proposal:

- A. Letter of Interest, including the firm's history and the name of the principal and/or key personnel who will be assigned to work directly with the Town on this project. It is expected that the same key personnel be assigned to this contract for the duration of the process.
- B. Detailed experience and qualifications including previous compensation consulting services, especially for local government entities and entities in resort or high cost of living areas. Include the qualifications/experience for the team (key personnel) assigned to the project and designate the individual to serve as project manager.
- C. Description of the approach and plan for performing services outlined in the Scope of Work (see above), including:
 1. Statement of Methods and Procedures – a detailed description of the plan for accomplishing the work including approach, methodology and procedures used to gather the data, analyze findings, and develop recommendations. If the consultant has a pre-designed system or resource, provide a description of the job analysis or compensation methodology.
 2. Content of Work Product – describe the way the work product will be presented upon completion, including any use of software or online resource if applicable. Provide a sample of how information will be presented or a copy of previously completed similar study. Include information that the Town will be expected to provide to enable the work to commence.
 3. Work Schedule – provide a timeline indicating the start/completion dates and indicate key tasks/milestones for implementation of the proposed plan. All components related to fiscal impacts should be completed and in final version no later than June 15 to be included in the 2023 budget process.
 4. List of recent references - include name and contact information of communities/ organizations for which the firm has provided similar services during the past five (5) years.
- D. Fee Schedule - provide a detailed fee schedule outlining the services as presented in your proposal. If proposal includes any expenses to be billed separately from professional fees, provide a detailed estimate of such expenses.

SELECTION CRITERIA/EVALUATION OF PROPOSALS

In addition to providing the information outlined in the submittal requirements, the proposals will be evaluated on:

Proposal quality – approach to the services and demonstrated understanding of the project and needs of the Town of Vail.

Background / Experience - experience in conducting compensation services and relevant experience and qualifications of personnel assigned to the project.

Project Approach – alignment of firm’s approach and methodology in with the town’s objectives and philosophy, and the use of creative or unique solutions in solving compensation challenges.

Implementation Plan – demonstrated ability (with examples) to successfully implement a comprehensive classification and compensation study and related processes.

Timeline / Schedule - clearly delineated timeline with specific milestones.

References - references were satisfied with the Proposer's work and stated that all tasks were completed within the time frame required.

Price/Fee Schedule – detailed fee schedule and expected expenses.

CONTACT AND SUBMITTAL TIMELINE

Responses are due by **12:00pm Noon MST on Friday, March 4**, at the Town of Vail Human Resources Department by mail, fax, email, or hand delivery.

Krista Miller
Director, Human Resources/Risk Management
Town of Vail
75 South Frontage Road West
Vail, CO 81657
Phone: 970-477-3512
Fax: 970-479-2470
Email: kmiller@vailgov.com

The Request for Proposals (RFP) will be available on the town's website (<http://www.vailgov.com/notices>). There will be no public opening of proposals.

GENERAL PROVISIONS

Limitations and Award

This RFP does not commit the Town of Vail to award or contract, nor to pay any costs incurred, in the preparation and submission of proposals in anticipation of a contract. The Town of Vail reserves the right to reject all or any submittals received as a result of this request, to negotiate with any qualified sources, or to cancel all or part of the RFP.

Professional Services Agreement

The selected consultant will be expected to sign the Town of Vail Professional Services Agreement. A sample of the agreement is available upon request and includes requirements for insurance, indemnification, a prohibition against employing illegal aliens (pursuant to Section 8-17.5-101, C.R.S., et. seq.), and other provisions.

Town of Vail 2021 Compensation Philosophy Update

The Town of Vail is committed to providing a **Competitive Total Rewards Package**. This can be described with three focus areas:

Provide a Competitive Total Rewards Package



Compensation Package

Competitive base pay
Core benefits offering
Livability (Housing, day care etc..)



Learning Opportunities

Meaningful work
Career progression
Learning and Development



Employee Experience

Culture
Leadership
Connection

Compensation Philosophy

The town undertook a process in 2021 to review the decades old compensation philosophy.

Our new Compensation Philosophy is to align our compensation plans and practices with our brand, *world class people for a world class resort*.

We continue to listen to ideas and suggestions at all levels so we can be responsive to current and emerging workforce needs. These listening tools like the Great Place To Work™ survey, and related committee being established from it, will enable us to continue to propose solutions within the town's financial and budget processes. We want our employees to be motivated to provide great service to the community and we want them to stay with us.

Our multi-year plan to reach compensation levels that are above the average of the market will help us encourage and motivate great performance, promote long service, and when we need to look outside, will attract candidates that fit our culture and can be great employees.

We believe that while base wage compensation is important, total compensation, which includes benefits (health, time-off, and retirement security), is also important for motivating and retaining great employees.

We have committed to be data driven and continually aware of the market so that we can respond to trends and maintain a strong competitive position.

Brand Alignment - Our compensation philosophy should align with our brand – world class people for a world class resort.

- Premium service and work outcomes in exchange for the opportunity to earn premium pay.
- Premium pay will be demonstrated by pay grades with midpoints that are aligned with the 65th to 75th percentile of the Colorado market adjusted for cost of labor differences in the Vail valley.
- Individual advancement through the ranges will be based on performance.

Effectiveness - Our programs will be built, and evaluated for effectiveness, considering three goals. Programs should:

- Motivate employees to deliver the highest quality service and performance.
- Retain quality employees with competitive pay, and opportunity to improve earnings through performance driven increases and advancement.
- Attract candidates that are by nature aligned with our brand and deliver premium performance.

Data Driven - Our programs and decisions will be data driven. We will survey the market annually to identify trends and changes that may impact our ability to motivate, retain, and attract quality employees.

- Compensation Surveys used will be from reputable sources (such as Colorado Municipal League or Employers Council), with statistically valid data collection processes.
- Cost of Labor adjustments will be based on data collected by reliable sources such as the Bureau of Labor Statistics.

Responsive - We recognize that one size doesn't fit all. Our programs will be responsive to changing employee demographics. Flexibility may allow employees to add cash to their paychecks by choosing benefits that better match their needs.

- Benefit programs that provide options or tiers to support employee choice and allow for individual circumstances/preferences that may be influenced by age, family dynamics, ability to secure housing, pay off debt, etc.