

**AGENDA**

Joint Administrative Services Board  
November 14, 2013 3:00 p.m.  
Joint Government Center

1. **Call to Order.**
2. **Approval of Minutes. (October 28 Minutes Attached).**
3. **ERP Proposal Evaluation Process.** Attached is the section of the RFP pertaining to proposal evaluation. The Board should determine the process for deciding upon the best proposal.
4. **Response from Springsted concerning the selection of benchmark communities.** The County is updating its Pay and Classification study, and the School Board has released an RFP for a similar study, which is due back December 3. At its last meeting the board discussed the considerations for achieving a common set of benchmark communities for these studies. Questions raised were answered by the Government's current consultant, and are attached.
5. **Need for Employee Communication on Benefits.** JAS staff recommend a communications effort with employees with regard to the following benefit changes:
  - a. **Flex Benefits.** The Group now has a two-and-a-half month runout period at the end of each plan year where employees can continue to incur claims against that plan year. A new regulation permits groups to opt for a \$500 carryover at the end of the plan year instead. It is recommended that flex plan members be polled as to which of these two options is preferred.
  - b. **ACA Enrollment option.** All employees should be informed that the open enrollment window for the Affordable Care Act is considered a "qualifying event" for dropping membership in Clarke County's group. That window continues open through March 31.
  - c. **New Hybrid Retirement Plan Option.** All benefits eligible employees hired after January 1 will be enrolled in the Hybrid Retirement Plan. In addition, anyone in either of the other two retirement plans can *opt* to enroll in the Hybrid Retirement Plan during a *one-time* open enrollment window from January 1 through April 30, to take effect July 1.

The communications effort would include mass emails of a link to relevant web pages, employee meetings in January, and communications to managers during staff meetings.

Joint Administrative Services Board  
October 28, 2013 Regular Meeting 1:00 pm

At a regular meeting of the Joint Administrative Services Board held on Monday, October 28, 2013 at 1:00 pm in Berryville Clarke County Government Center Meeting Room AB, Berryville Clarke County Government Center, 101 Chalmers Court, 2nd Floor; Berryville, Virginia.

Members Present

Sharon Keeler; David Ash; J. Michael Hobert; Michael Murphy; Chip Schutte

Members Absent

None

Staff Present

Tom Judge; Gordon Russell; Lora Walburn

Others Present

None

1. Call to Order - Determination of Quorum

At 1:00 pm, Chairman Schutte called the meeting to order.

2. Approval of Minutes

**Michael Murphy, seconded by David Ash, moved to approve the September 23, 2013 meeting minutes as presented. The motion carried as follows:**

David Ash	-	Aye
J. Michael Hobert	-	Aye
Sharon Keeler	-	Aye
Michael Murphy	-	Aye
Charles "Chip" Schutte	-	Aye

### 3. Pay and Classification Study

*The School Board is considering performing a Pay and Classification study. A draft RFP will be discussed at tonight's meeting. Meanwhile the Board of Supervisors is preparing to update the study they originally performed in 2008. There is an opportunity for both organizations to perform these studies utilizing the same methodology and benchmark communities. Doing so would help alleviate one of the more contentious elements of the annual budget process. The Government's 2008 study is attached. The Board should discuss the methodology and its pros and cons, and determine whether common ground can be established for the pursuit of the School's study, and the Government's update.*

Tom Judge provided an historic overview of the County's pay and classification efforts. He noted that the Schools did not participate in the 2008 general government study.

Michael Murphy noted that on behalf of the Schools, Rick Catlett, Assistant Superintendent, made contact this morning with Springsted and that he plans to contact the Evergreen group. Highlights of the Schools proposed study include:

- Schools have identified 12 different firms that can perform a study.
- Cost estimate is \$18,000 to \$20,000.
- Will take four months to complete.
- Will include review of job titles, classifications, and job descriptions.
- Proposed comparable groups put forth by the School division would be local jurisdictions going east to include: City of Winchester, Frederick County, Warren County, Fauquier County, Loudoun County, and Fairfax County.
- The Schools do not want to include Page County or the West Virginia counties including Jefferson and Berkeley.
- The School Board will consider initiating its own RFP.

Highlights of the benchmark community discussion include:

- Inclusion of counties to the east would drive salaries higher than the County could fund.
- In its 2008 pay and classification study, the County selected localities comparable in size, location, tax base, size and economic base.
- Two methods used when benchmarking include weighting or removing highest and lowers.
- Vice Chairman Hobert opined that Clarke County could not and does not compete with Loudoun County, which is one of the wealthiest, fastest growing counties in the country.
- Chairman Schutte, School Board representative, stated that he prefer to work out a compromise on benchmark communities before the Schools conduct the study.

- Vice Chairman Hobert, Board of Supervisors representative, advised that the Supervisors have approved a study for general government employees to be completed by July 2014. He noted that the Schools gave employee raises in FY2014 that County employees did not receive. He stated that the County could not wait for the Schools to decide how it wanted to proceed.
- Tom Judge will solicit benchmark localities from John Anzvinio, Springsted.

Just prior to his 1:40 pm departure, Chairman Schutte turned the Chair over to Vice Chair J. Michael Hobert.

#### 4. ERP Issues

- a. There is currently no JAS Board meetings scheduled for November and December; however, two procurements are due November 12 (ERP System and ERP Consultant). The Board should schedule an initial meeting for Nov 13-15 to review the proposals and set a course of action.*

Highlights of Board review include:

- An evaluation meeting will be scheduled for either Thursday, November 14 or Friday, November 15.
- JAS will perform the vendor evaluations.
- While the RFP does have an evaluation tool, it does not include weighting, the Board can decide weight prior to opening the bids.
- Group discussion is required
- The number of responses will determine whether there is a need for a consultant.

- b. Several policy actions are pending: inclusion of Social Services Accounts Payable, establishment of minimum time unit for leave accounting, Assign GPIN, Income Tax responsibility.*

Highlights of Board review include:

- Minimum time unit:
  - o The Fair Labor Standards Act establishes the minimum time unit at a tenth of an hour.
  - o Further discussion is need to determine to what degree time work and leave used differentiate.
- Income Tax:
  - o Commissioner of the Revenue, Donna Peake, advised Tom Judge that while each year her office processes fewer returns she would like to continue the service.
  - o Sharon Keeler, Treasurer, told members that processing annual income tax returns and estimated quarterly taxes, approximately 1,500 per year, is included in

the weighted scale the state uses to calculate staffing levels it reimburses to the locality.

## 5. ACA (Affordable Care Act) Implementation

*A reminder that it may be prudent to react to the implementation of the ACA with policy actions of our own. For example:*

- a. Employees working less than 30 hours per week who are currently eligible for health insurance may find less expensive health insurance on the ACA exchange, creating a win-win for employer and employee. This could be tested by affected employees to determine if this is true, and what tradeoffs (ex. participating doctor network) might be involved.*
- b. COBRA recipients and Retirees might find a better value on the exchange than staying in the Clarke Group. Should they be advised of this as part of their COBRA/Retirement notification of benefits?*
- c. Some plans are no longer covering spouses eligible to receive such coverage elsewhere (see attached article). Our group should thus expect an increase in group membership over time if our current policy is maintained.*
- d. In a previous discussion we determined the "look-back" period for determining insurance eligibility to be twelve months. Therefore, if the employee averages 30 or more hours per week over 12 months they would be eligible for insurance coverage going forward (see federal reg attached). Managers responsible for assigning work and approving timesheets will need to be instructed to take responsibility for this.*

Highlights of discussion include:

- Qualifying employees work a 30 hour week, 130 hours per month.
- Need to monitor beginning January 1.
- Conferencing with insurance vendors is encouraged.
- The County is in a pool of local governments that are insured in a state-contracted plan.
- Retirees may benefit from going to the exchange; and while retirees will not be encouraged to leave, the Board agreed to provide a notice with a statement to check the government website.
- Mike Murphy will provide members a PowerPoint presentation on ACA.
- Due to change in spousal coverage, County could see a marked increase in the number of employees joining the health insurance plan.
- In this area, there is only one third party administrator that offers a plan and only one with a negotiated rate with the local hospital.

## 6. VRS vs. VaCorp Disability

*VRS dropped their rates below Standard and extended their deadline to 12/2. This was communicated to the JAS Board by email. The recommendation and response has been to support the actions already taken by the Supervisors and School Board.*

Following a brief update from Tom Judge, by consensus, the Board agreed that going with The Standard was the best decision.

#### Next Meeting

The next regular meeting is scheduled for December 16, 2013.

As agreed, Tom Judge will schedule a meeting for either November 14 or 15.

#### Adjournment

Vice Chair J. Michael Hobert adjourned the meeting at 2:52 pm.

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*Minutes Recorded and Transcribed by Lora B. Walburn*

## 1.9 Overall Evaluation Process

Responses to this RFP will be evaluated by the Joint Administrative Services Board consisting of various process owners within the County, with assistance from others such as consultants and end users.

The County reserves the right to reject any and all proposals.

The County will be using the following process to reach a finalist Vendor decision:

1. **Round 1 Evaluation (Minimum Criteria):** As part of the Vendor's RFP response, the following minimum criteria must be met for a proposal to be considered for further evaluation. Failure to meet all of these criteria will automatically disqualify the Vendor's response from further consideration:

- **RFP Response**  
RFP response shall be submitted by the due date and time.
- **Response Authorization**  
The RFP response shall be signed by an authorized company officer.
- **Response Completeness**  
Vendor complied with all instructions in the RFP and provided a response to all items requested that includes sufficient detail, such that the proposal can be evaluated. The County reserves the right to waive any defect or omission in any proposal that does not materially affect the terms of the response to this RFP. Additionally, if Vendor indicates on the Contract Terms and Conditions Compliance Checklist (attached to the Contract Terms and Conditions) either "Exception" or "Not Comply," then Vendor's proposal may be rejected by the County as nonresponsive.
- **Responsibility**  
The Vendor has the burden of demonstrating affirmatively its responsibility in connection with this RFP. A debarred potential proposer must automatically be considered non-responsible in connection with this RFP. The County reserves the right to consider a Proposer non-responsible who has previously failed to perform properly or to complete, in a timely manner, contracts of a similar nature, or if investigation shows the Proposer unable to perform the requirements of the contract. A Proposer may be requested at any time by the Purchasing Agent, or his designated representative, to provide additional information, references and other documentation and information that relate to the determination of responsibility. Failure of a Proposer to furnish requested information may constitute grounds for a finding of non-responsibility of the Proposer.

### **Core Modules**

Solution must include functionality for Core Modules identified in Section 1.1.

2. **Round 2 Evaluation:** For those Vendors whose proposals pass the minimum criteria, the following categories of criteria will be used to further evaluate the proposals in the following order of preference from high to low:

- Functional Requirements
- Implementation Requirements
- Cost including both initial and on-going

- Technical Requirements
- General Vendor Background

The Joint Administrative Services Board, in addition to reviewing Vendor proposals, may receive and review analyses prepared by certain citizens, staff, public officials from other entities, and paid consultants as part of the evaluation process.

3. **Round 3 Evaluation:** The top Vendors in the Round 2 evaluation will then proceed to an additional level of due diligence that may include the following activities:

- Follow-up requests for information from the County.
- On-site Vendor demonstrations to include module/functionality demonstrations, technical demonstrations, service presentation and other due diligence.
- Reference checking with comparable entities using the Vendor's proposed product
- Potential site visits to comparable entities using the Vendor's proposed product
- Discussion of any exceptions or deviations as identified in Section 12 of the proposal response (section 3.12, below).
- County access to vendor's online user forums.

At any point in time during Round 3 evaluation, a Vendor may be excluded from further consideration. At the conclusion of the Round 3 activities, the finalist Vendors shall be evaluated based on all previously collected information and assessments. The County reserves the right to request a best and final offer (BAFO), discuss contractual terms and conditions, and request additional information in connection with a statement of work (SOW) during its evaluation process.

The Joint Administrative Services Board, in addition to conducting their due diligence activities, may receive input from certain citizens, staff, public officials from other entities, and paid consultants as part of their process.

Based on this due diligence process, the County will then enter into contract negotiations with the Vendor whose overall solution best meets the needs of the County over the long-term. Further refinement of pricing and SOW may occur during this process such that the County can appropriately plan for resources to complete the ERP implementation.



**Clarke County****tjudge@clarkecounty.gov****FW: Clarke County Benchmark Communities**

**From :** John Anzivino <janzivino@springsted.com>  
**Subject :** FW: Clarke County Benchmark Communities  
**To :** Tom Judge <tjudge@clarkecounty.gov>  
**Cc :** Rebecca Dayton <rdayton@springsted.com>

Wed, Oct 30, 2013 09:39 PM

Tom,

Please see below (in red). I am working on a proposal for the County's compensation analysis and personnel policy revisions. The school proposal will be more extensive as I understand it.

Please let me know if the information is adequate and if you need more.

**John A. Anzivino**

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-----Original Message-----

**From:** Tom Judge [<mailto:tjudge@clarkecounty.gov>]  
**Sent:** Tuesday, October 29, 2013 10:51 AM  
**To:** John Anzivino  
**Cc:** David Ash; Murphy, Michael  
**Subject:** Clarke County Benchmark Communities

John,

The Joint Administrative Services Board met yesterday. We discussed the impending Pay and Classification update for the Government, and the School Division's impending Pay and Classification Study. We agreed that establishing a common set of benchmark communities was a worthy goal, but many questions arose about how to accomplish this:

1. What should the size of the set be? Are there statistical benefits to a larger set? We prefer to use, at

minimum, about 10 to 12 localities/entities. The benefit to a larger set of benchmarks is ensuring we have an adequate number of base responses. It also serves as a better illustration of market competitiveness, particularly when the data is compared on a side by side as well as consolidated basis.

2. Is it best practice to allow the consultant to select the benchmark communities? If so, what basis would be used to make the selection? We would select the benchmarks. This is a good idea because the choices come from an independent source and any perceived bias resulting in what may be considered a higher or lower pool of survey results can be avoided. The consultant would typically chose communities/organizations based upon a number of criteria including: exit interview data from the local government indicating where employees may be going to work in other jurisdictions for additional pay, geographic location (typically abutting the community conducting the study, comparably sized jurisdictions with comparable services and other localities whom the community consistently benchmarks against. Some may be close by, or not. In the case of Hagerstown, Maryland we had to use Annapolis, Maryland and the City of Manassas because we needed comparable communities who operated electrical utilities. We always, however, gain a level of approval of the jurisdictions from the community.

3. If the Boards each wish to have a role in creation of a common set of benchmark communities, can the consultant assist in the negotiation that may be required to achieve this? Yes. There was much discussion here: include communities that take our employees? communities from which we draw employees? Similarly sized and located communities? Communities with similar tax bases? As noted above these are all factors which may be used in the determination of benchmarks.

4. Can the consultant assist in a sensitivity analysis of the benchmark communities? For example, analyzing the affect of including or excluding certain communities? Yes. We have done this before. This may add some cost to the project as additional sensitivity analyses take time to complete.

Please let me know your thoughts on these matters. The five JAS members (SB member, BOS member, County Administrator, School Superintendent, Treasurer) were in agreement that seeking this common basis of comparison should not risk slowing down the completion of these studies. I am to report back to this group at their meeting November 14.

Thanks,

Thomas J. Judge, Director of Joint Administrative Services, Clarke County, 540-955-6172