



City of Hendersonville, NC

Addendum # 1

Request for Proposal # 271002001

Classification and Compensation Study 2026

Date Issued: 8/27/26

There are two parts to this addendum. Part 1 is to extend the deadline for RFP submissions. Part 2 is to provide answers to the questions posed to the City.



Part 1:

RFP Due Date Extension

The RFP Proposal Deadline has been extended until 9/4/26 at 2pm.

Part 2:

Questions and Answers

1. Should the cost proposal be submitted as a single fixed not-to-exceed amount, with hourly billing rates, travel and meeting expenses shown for information only, or does the City want those items to be separately payable?

The City requires a fixed-price, not-to-exceed proposal. The total proposed cost shall include all labor, travel, meetings, materials, software, and incidental expenses necessary to complete the project. Hourly billing rates, travel costs, meeting expenses, optional services, and additional consulting rates should be provided as requested in the Cost Proposal section for informational and potential future-use purposes. The City does not intend for routine project expenses included in the scope to be separately payable.

2. How many onsite meetings versus virtual meetings should we assume, and should the City Council presentation be priced within the base fee or listed as an optional service?

Consultants should assume participation in the meetings identified in the Scope of Work, including the project kickoff (on-site), progress meetings (Virtual-Biweekly), preliminary findings/review meetings (Virtual), Executive Leadership/City Council presentation(On-Site), and final project closeout meetings (Virtual). Consultants may separately identify optional services and meeting beyond the scope of the RFP if they so wish. All optional services and meetings not should be included in the over all not to exceed amount.

3. Is there a target completion date or a budget range the City would like proposals to work within?

Target completion date is January 2027. Project budget provided by responding consultants should be reflective of market competitive pricing.

4. Are the approximately 42 part-time positions and the elected official positions included within the approximately 240 classifications, or are they in addition to that count?

240 established job classifications. This number does not include part-time or council classifications.



5. Of the approximately 240 classifications, how many are currently filled, and how many does the City consider benchmark positions?

The City anticipates no more than 75 benchmark classifications will be studied. The City will work with the selected consultants to identify specific classifications.

6. The RFP notes that certain items may be added if specifically requested by the City during the project. Would the City like those requests handled through a written amendment to the scope, or is there another process the City prefers?

Any work that is outside the stated scope of the RFP and is specifically requested by the City should be approved in writing by the City before the additional work is performed. If the requested work would result in an additional cost, the consultant should identify the additional cost and obtain written City approval before proceeding.

7. Will the City provide current position descriptions, the pay plan showing hiring, minimum and maximum rates by grade, and an employee census with hire date, current salary, grade and department at kickoff?

Yes. The City anticipates providing the consultant with the City's existing classification and compensation information necessary to conduct the study, including current job descriptions, the existing pay plan, and employee/payroll data necessary for the compensation analysis. The specific data elements and format will be confirmed during the project kickoff and data collection phase.

8. Does the City want compensation data collected directly from each of the comparison agencies, or may published pay plans and salary schedules be used where they are publicly available and current?

The consultant is expected to collect compensation and related market data directly from the City-approved comparison agencies and coordinate with those agencies to obtain accurate and complete information. Publicly available pay plans and salary schedules may be used as supplemental sources or for validation; however, reliance solely on publicly available information does not replace the RFP requirement to coordinate directly with the approved comparison agencies and validate the compensation information collected.

9. Two agencies appear in both the municipal and utility lists in Appendix A. Should those agencies be surveyed once, or surveyed separately for their utility classifications?

The agencies should be contacted once, but the consultant should collect and analyze the appropriate municipal and utility compensation information applicable to the City's benchmark positions. The intent is not to duplicate the survey effort with the same organization, but to ensure that relevant utility classifications are included where appropriate.

10. Is the 75th percentile the City's confirmed target market position for this study, or would the City like the recommended market position to remain open based on the analysis?

The City's current compensation philosophy is to lead its market peers at the 75th percentile. Accordingly, the 75th percentile should be treated as the City's current target market position for purposes of the study. However, the consultant is expected to evaluate the market data and provide a recommendation regarding the appropriate market position. The RFP specifically



requests analysis of potential market positions, including the 50th, 65th, and 75th percentiles, based upon the City's compensation philosophy. Any recommendation that differs from the City's stated 75th-percentile philosophy should be clearly supported by the consultant's analysis and recommendations.

11. Should benefits data be collected as part of the market analysis, or is the analysis limited to base salary and the pay components listed in the RFP?

The primary compensation analysis should focus on base salary and the compensation components specifically identified in the RFP, including longevity pay, standby pay, on-call pay, overtime compensation, and compensatory time, as applicable.

12. Is the City's standard professional services contract available for review prior to the proposal deadline?

Not at this time.

13. **Internal Equity Methodology:** Sections 1, 3.B, and 4.G identify internal equity as a significant component of the study, while those same sections state the City is not requesting job audits, incumbent interviews, or revised job descriptions.

Should internal relationships among the classifications be established through a formal job evaluation methodology (point-factor or whole-job), or through market-based grade placement with internal inconsistencies identified and reported as they arise?

The City's expectation is that internal equity will be evaluated through the review of existing classifications, benchmark matching, market data, current pay-grade assignments, and organizational relationships. The consultant should identify and make recommendations regarding internal inconsistencies, compression, salary inversion, and alignment of positions within the existing pay structure.

14. If a formal methodology is expected, will the City provide current job descriptions for all classifications?

Yes, the City will provide existing job descriptions and available classification information for use in the study.

15. Number of Classifications and Benchmark Scope: Section 2 cites approximately 240 established classifications for 350 full-time employees; Section 4.D directs review of approximately 240 classifications.

Is the count of 240 accurate, and how many classifications are currently filled?

Yes, the count of 240 classifications are correct and at present greater than 90% of the classifications are filled.



16. Should market data be collected for all 240 classifications, or for a representative benchmark subset with the remainder slotted by internal relationship? If a subset, does the City have a target number?

The City expects the consultant to review approximately 240 classifications. The consultant should propose a methodology for identifying appropriate benchmark positions and determining how non-benchmark classifications will be evaluated and aligned within the City's current pay structure. The proposed methodology should clearly explain how internal equity will be maintained for classifications without direct market matches. Of the established 240 classifications no more than 75 classifications will be benchmarked. The City will work with the selected consultants to identify specific classifications.

17. Are the approximately 42 part-time positions within scope?

Of the 42 part-time positions only one classification will be reviewed as part of the study.

18. Do Police and Fire operate under separate pay structures or step plans?

No

19. Market Data Collection Method: Section 4.B directs the consultant to coordinate directly with the comparison agencies listed in Appendix A.

20. Is a custom salary survey required of each agency, or may published pay plans and salary schedules be used where they provide complete and current data?

The consultant is expected to collect compensation and related market data directly from the City-approved comparison agencies and coordinate with those agencies to obtain accurate and complete information. Publicly available pay plans and salary schedules may be used as supplemental sources or for validation; however, reliance solely on publicly available information does not replace the RFP requirement to coordinate directly with the approved comparison agencies and validate the compensation information collected.

21. If a custom survey is required, will the City provide a letter of introduction to support participation?

Yes, the City will work with the selected consultant to facilitate communication with comparison agencies as appropriate. The consultant should identify any specific assistance needed from the City during project kickoff.

22. What is the City's preferred approach if an agency declines or does not respond — published data, exclusion from affected benchmarks, or substitution subject to the City's prior written approval?

If an approved comparison agency does not respond or sufficient data cannot be obtained, the consultant should submit a Freedom of Information Act Request. If request is not fulfilled within a reasonable amount of time then the consultant may utilize reliable published compensation information or other appropriate available data sources, where available. If sufficient comparable data still cannot be obtained, the consultant shall notify the City and



recommend an alternative approach. No additional comparison agency may be contacted or included without the City's prior written approval.

23. Appendix A lists Hickory and Kannapolis under both Municipalities and Utilities. Should each be surveyed once, or separately for utility-specific classifications?

The agencies should be contacted once, but the consultant should collect and analyze the appropriate municipal and utility compensation information applicable to the City's benchmark positions. The intent is not to duplicate the survey effort with the same organization, but to ensure that relevant utility classifications are included where appropriate.