

REQUEST FOR PROPOSAL
RFP NO. HRDX-180040-GD
TOTAL REWARDS STUDY

NOVEMBER 30, 2017

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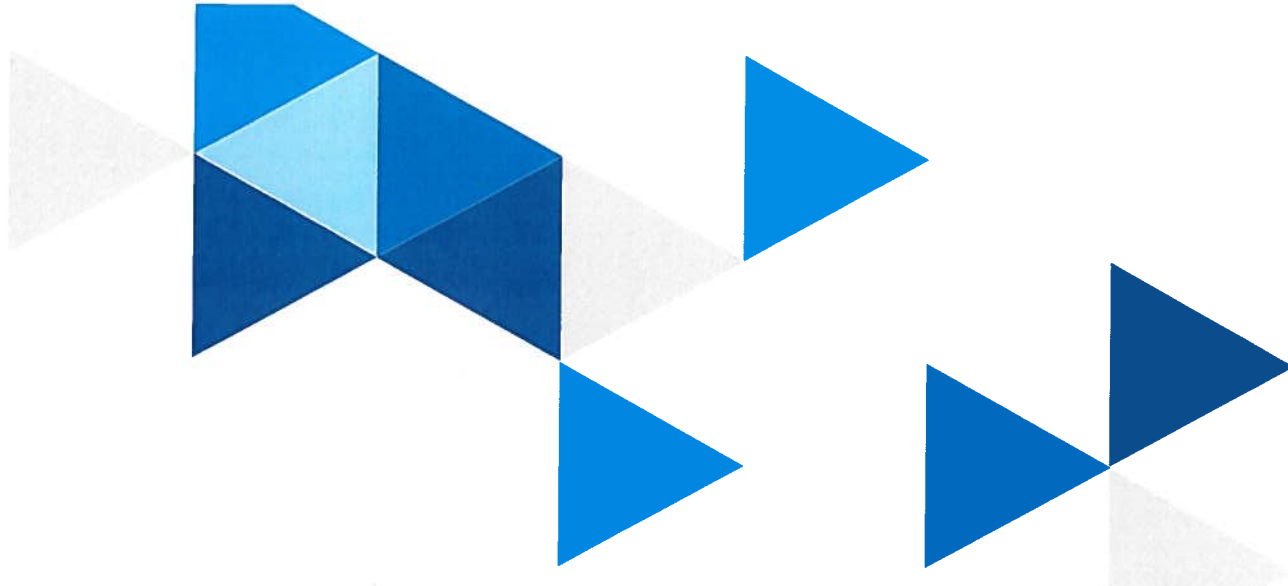
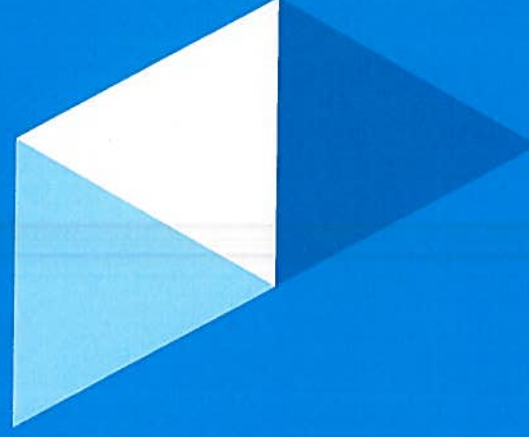


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TECHNICAL PROPOSAL



INTRODUCTION

- Mercer appreciates the opportunity to provide to the City of Gainesville ("City") a response to the Request for Proposal (RFP NO. HRDX-180040-GD): Total Rewards Study. We understand the primary goal is to design a Total Rewards Program which would position the City as an Employer of Choice, in attracting, motivating, and retaining talent, to support your journey in becoming the New American City.
- Every path starts with passion. This proposal outlines Mercer's suggested approach, scope and work steps. We have also provided information on the team that will collaborate with you on this important engagement. We welcome further discussions and the opportunity to respond to your questions or to attend a finalist meeting.
- As your partner, Mercer will bring a strategic approach that addresses the City's needs and provides a sound solution enhanced by the resources of the world's largest human resources consulting firm. Our solutions will be informed by people well-grounded in working with multi-service municipal governments and utilities, and experience within an union environment. The Mercer team outlined to support the City with this project has broad and deep experience working with organizations like the City, as well as with industry, to ensure contemporary and effective practices are considered and that the engagement is completed in a comprehensive and thorough manner.
- Respectfully submitted,

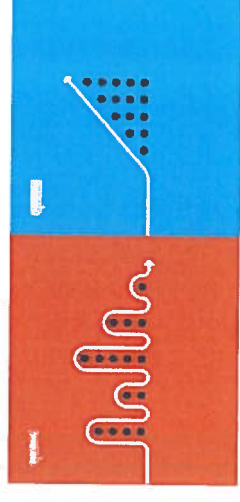


David Kopsch, Principal
Mercer

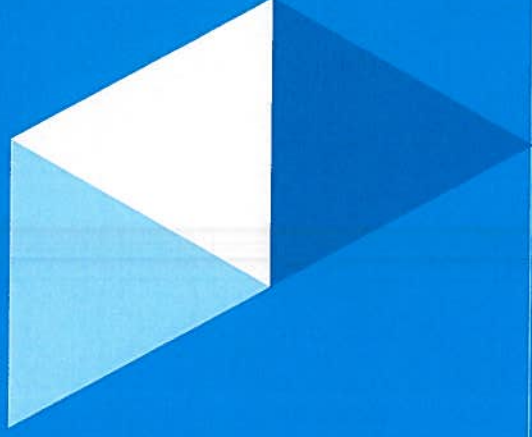
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SCOPE OF WORK

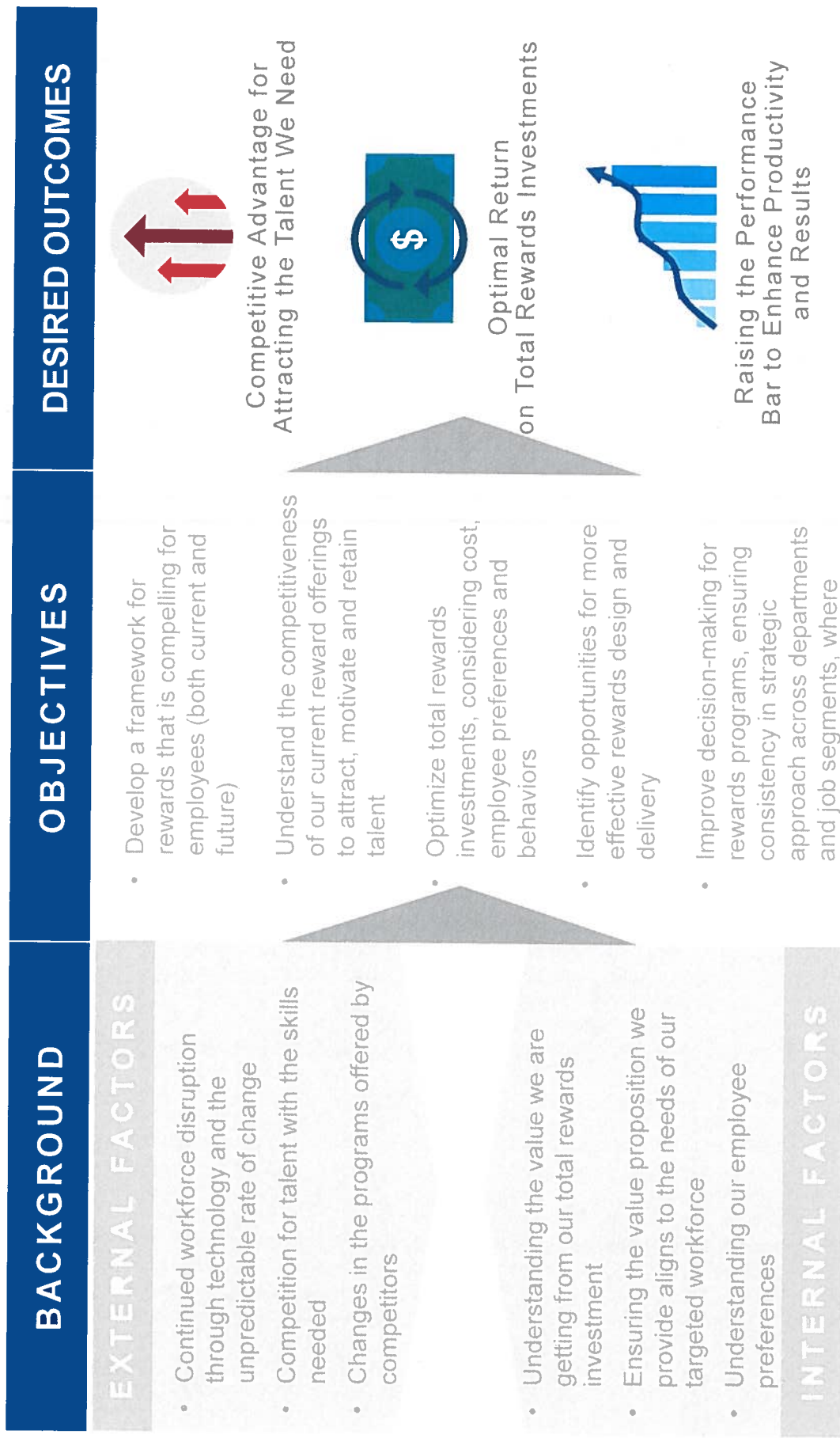
- Per the 2013 United States Census, the City delivers services to a population of 127,488 in the City and 247,336 in the Alachua County, of which Gainesville is the County Seat. The major components of the City's economy, a university town, are education, technology, medical centers and tourism.
- As with many municipalities, the City is challenged by federal and state statutes and regulations, and the overall economic climate; however, the goal is to make the City more attractive to residents and companies. It is about what the City is for and not what it does; the purpose of the City is the people of the City.
- The City has identified the need for Mercer to assist the City in reviewing the existing compensation, including living wage rate, and benefits plans and to make recommendations for a Total Rewards approach. It is to include a review of all existing compensation and benefits plans comparing what the City offers today to other types of compensation, benefits or work/life effectiveness programs, and make recommended changes. The City also requests Mercer to provide a multi-tiered communication plan to ensure employees, leaders and the City Commission are informed throughout the project and present a proposed implementation plan, which is expected to take place over several years.
- The Study will include all Charter Officer positions that directly report to the City Commission, all managerial and professional jobs, and all positions covered under bargaining agreements. This Study will include approximately 2,075 regular employees in approximately 670 classifications.
- The City has not conducted a combined Study. In the past, separate studies for benefits and compensation were conducted. As a result, the most recent benefits audit was completed in 2008; and comprehensive compensation study completed and adopted was in 2006.



WORKING WITH MERCER: OUR APPROACH

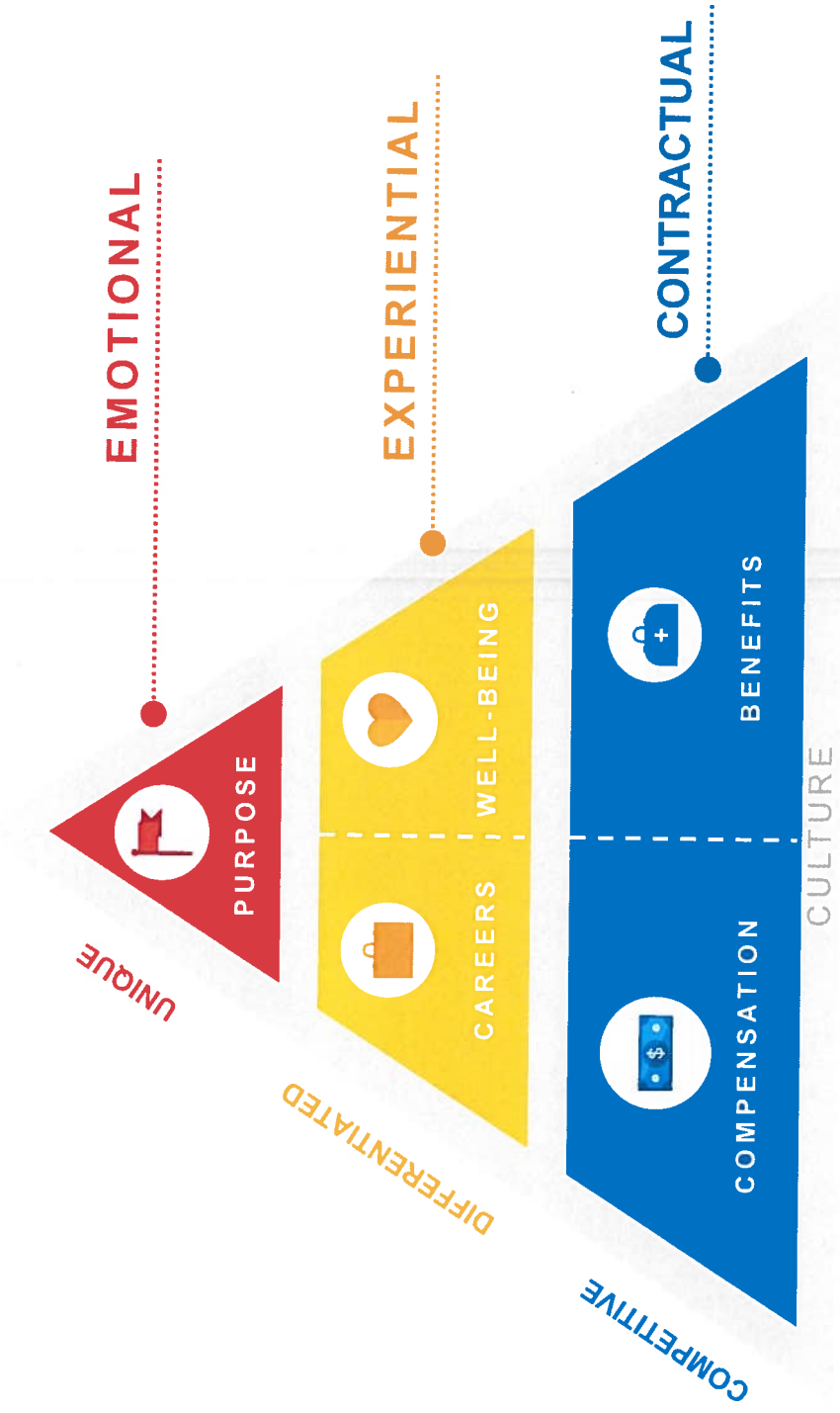


MERCER'S UNDERSTANDING OF YOUR NEEDS



MERCER'S POV A HOLISTIC APPROACH TO TOTAL REWARDS

Define the employee experience that will make the right talent want to join, stay and deliver their best performance. The objective is to be citizen-centric through empowered employees.



MERCER'S POV COMPONENTS OF AN EFFECTIVE REWARDS STRATEGY



MULTI-
PERSPECTIVE



DATA-DRIVEN



TARGETED



ENGAGING

MERCER'S POV MULTI-PERSPECTIVE: VARYING DEGREES



EMPLOYER PERSPECTIVE

What **outcomes** do we need?



EMPLOYEE PERSPECTIVE

What do our employees **value**?



MARKET PERSPECTIVE

What are our **competitors** doing?



COST PERSPECTIVE

Are our programs **affordable** and **sustainable**?

MERCER'S POV DATA-DRIVEN: ANALYZE WORKFORCE BEHAVIORS



Say

What employees say,
as measured through:

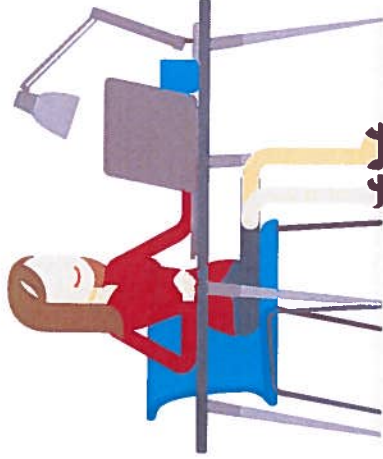
Leadership and
HR perspectives

Focus groups

Employee surveys

Social media sites

Exit surveys



Do

How employees actually behave,
as measured through:

Performance/
productivity

Engagement

Turnover

Promotability

Rewards program utilization



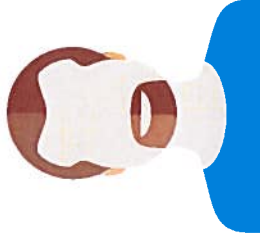
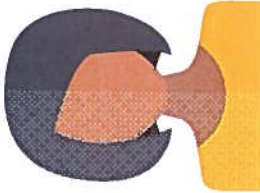
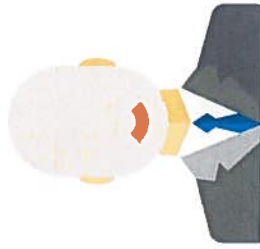
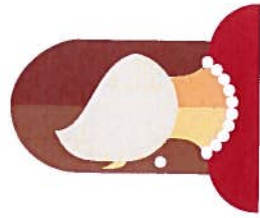
Human behavior is complex – we seek to “crack the code” for what will truly drive desired outcomes.

CREATE A COMPELLING REWARDS EXPERIENCE



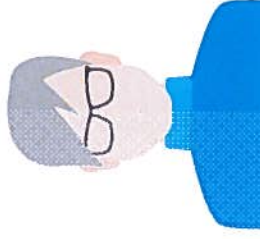
BUILD TARGETED PERSONAS: BASED ON EMPLOYEES' UNIQUE NEEDS AND DESIRES

Provides multiple dynamic lenses to evaluate programs



Builds relevance into all programs to target investments

Foundation for a personalized experience



Employee demographics

Location demographics

Needs

Interests

Behaviors

Communication preferences

Sample Personas

STARTERS

FREE AGENTS

LONG-TERM LOYALS

STRIVERS

MANAGERIAL CORE

MERCER'S POV ENGAGING: CONNECT WITH ME AS AN INDIVIDUAL



“I get it.”

It's simple. This experience feels as modern and familiar as the consumer sites I already use.

“I'm confident.”

I have what I need to understand where I am, and support to help me take action.

“I feel appreciated.”

I can see the value of working here both now and in the future.



ENABLED BY A DIGITAL PLATFORM



CONSUMER-
GRADE
EXPERIENCE



DATA THAT'S
PRIVATE AND
SECURE



CAMPAIGNS
THAT DRIVE
ACTION



CONTENT THAT
IS RELEVANT

MERCER'S APPROACH THREE KEY PHASES

We help clients realize the benefits of a thriving workforce by
optimizing the employee experience.



DISCOVERY & BENCHMARKING

*Discover the factors that influence or
inhibit a compelling experience.*



CREATE

*Create the strategic framework and
plan designs to deliver results.*



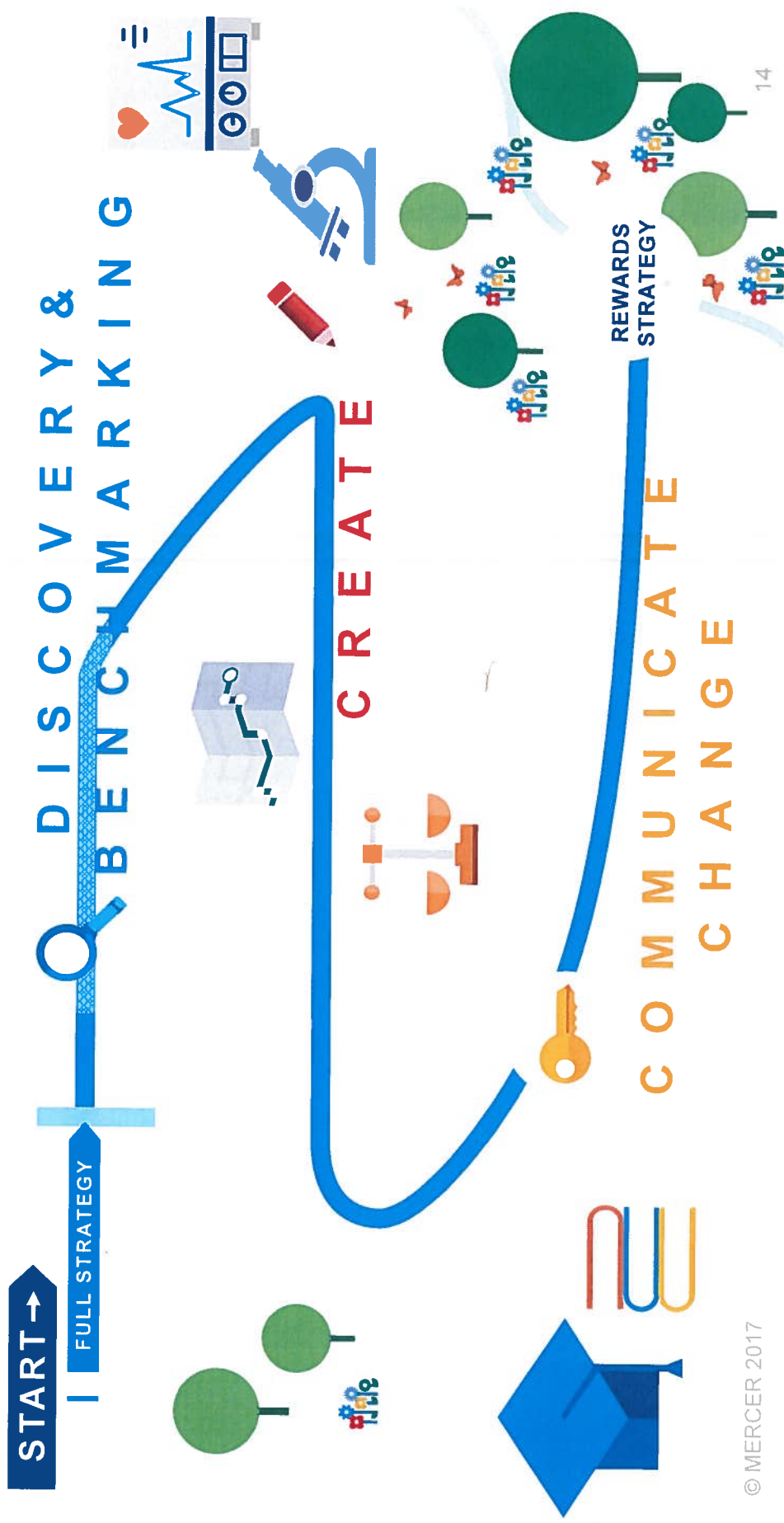
COMMUNICATE CHANGE

*Implement design changes to execute
your vision for the future and
prepare to communicate change*

MERCER'S APPROACH TO MEET YOUR NEEDS

It is a journey beginning with Understanding:

- The City's employee value proposition (EVP)
- The City's rewards strategy and rationale for its compensation, benefits and work/life effectiveness programs
 - How rewards are developed and compared against organizations where the City competes for talent – both from a recruitment and retention standpoint
 - The City's delivery of rewards services to its employees



FULL STRATEGY

PROJECT OVERVIEW

DISCOVERY & BENCHMARKING

UNDERSTAND THE CURRENT STATE

- Conduct interviews with leaders and key stakeholders to understand current state
- Inventory current reward programs and cost to identify benchmarks and metrics
- Conduct research on employee behaviors related to rewards programs
- Conduct total rewards benchmarking



CREATE

ESTABLISH THE FUTURE STATE VISION

- Develop guiding principles to guide rewards strategy
- Cluster employee preferences into personas to develop a rewards strategy
- Develop a blueprint to outline the future state vision
- Conduct a gap analysis to identify the disconnect between the current state and defined blueprint

COMMUNICATE CHANGE

DEVELOP ROADMAP FOR IMPLEMENTING PRIORITIES

- Build a communication roadmap for change based on priorities to achieve desired outcomes
- Develop EVP statement framework with key messages and conduct workshop for buy-in

KEY ACTIVITIES

DELIVERABLES

TIMING

- ✓ Comprehensive discovery report of current state, including:
 - Leadership Perspectives
 - Program Inventory
 - Utilization Review
 - Total Rewards Benchmarking
 - Cost Review
 - Communication and Stakeholder Audit

- ✓ Rewards guiding principles
- ✓ Holistic rewards framework
- ✓ Employee personas
- ✓ Rewards strategy blueprint
- ✓ Rewards Implementation Strategy Map
- ✓ Gap analysis and identified interventions
- ✓ Stakeholder analysis and communication gaps / opportunities

- ✓ EVP statement, key messages
- ✓ Total Rewards change management and communication plan

• Six Weeks

• Three Weeks

• Three Weeks

PHASE 1: DISCOVERY & BENCHMARKING

1A: PROJECT PLANNING



PHASE 1A: PROJECT PLANNING

Gather organization data, develop project plan, conduct project kickoff meeting and agree upon scope and objectives for discovery.

KEY WORK STEPS

1 CONDUCT PROJECT SCOPING AND PLANNING

- Identify City of Gainesville (“City”) project team members to include Equal Opportunity Director, HR Director, Risk Management Director.
- Develop detailed project plan. Identify deliverables, project tracking approach and ongoing project management protocol.

2 COLLECT DATA AND INVENTORY PROGRAMS

- Collect data on current rewards programs and costs as well as HRIS information needed to conduct cluster analysis.
- Collect bargaining agreements in place for each of the job families.
- Collect current HR policies in place for hiring / severance, rewards management, leave / vacation, performance review.

3 CONDUCT PROJECT KICKOFF MEETING

- Mercer and the City project teams will conduct a kickoff meeting to:
- Review the project plan, roles and responsibilities, and key milestones and set the project timeline.
 - Review inventory of total reward programs and data request items provided.
 - Discuss rewards benchmarking approach.
 - Agree on a list of leaders and subject matter experts to be interviewed.

DELIVERABLES

- Project plan
- Data request
- Inventory of reward programs

PHASE 1: DISCOVERY & BENCHMARKING

1B: LEADERSHIP PERSPECTIVES



PHASE 1B: LEADERSHIP PERSPECTIVES

Meet with key stakeholders to understand the current state, impact of workforce changes and desired future state.

KEY WORK STEPS

4 CONDUCT LEADERSHIP INTERVIEWS

- Conduct 50 one-hour key stakeholder and subject matter expert interviews to understand the organizational context and vision for the total rewards strategy. Topics will include: organization strategy and impact on the workforce, talent priorities and career architecture, and perspectives on the current and future state of rewards. Interviews to be from across the employee groups:
 - Charter Officer positions, Managerial professional jobs and positions covered under bargaining agreements:
 - Communications Workers of America Supervisory
 - Communications Workers of America Non-Supervisory
 - International Association of Firefighters
 - International Association of Firefighters – District Chiefs
 - Fraternal Order of Police
 - Police Benevolent Association
 - Amalgamated Transit Union

- Conduct 15 two-hour focus groups (20 employees each) to identify total rewards programs current value to employees.

5 CONDUCT COMMUNICATION AUDIT

- Conduct one full-day communication and stakeholder discovery workshop to identify gaps and opportunities. This includes reviewing current communications from candidate attraction, onboarding, to specific Total Rewards communication pieces currently used with employees. This will involve City communication and benefits administrators, plus the core City project team.

DELIVERABLES

- Leadership perspective & Interview themes
- Communication and stakeholder landscape

PHASE 1B: SAMPLE DELIVERABLES LEADERSHIP PERSPECTIVES



POTENTIAL DISCUSSION TOPICS

BUSINESS STRATEGY

PEOPLE STRATEGY


















WORKFORCE CHANGES

REWARD PROGRAMS

CAREER MANAGEMENT

COMMUNICATION

Results provide insights on future direction and potential change management implications.

Category	What We Heard									
Benefits  	9 Company ABC wants to be a leader in providing “differentiating benefits”, however, many felt the benefit offerings have become “middle of the road.”									
	<table border="1"> <thead> <tr> <th>Category</th> <th>What We Heard</th> </tr> </thead> <tbody> <tr> <td>Business Strategy </td> <td>1 Growth is critical, key is to balance innovation and technology while maintaining customer focus without sacrificing values. 2 The business strategy has been extremely thoughtful so that Company ABC can maintain a no-layoff policy, but yet perform under stress in a down economy.</td> </tr> <tr> <td>Branding / Culture </td> <td>3 Company ABC is a “welcomed employer” and a “values based organization” that cares about its Associates and the environment; however, U.S. Associates outside of Headquarters do not necessarily have the opportunity to share in the culture and their daily experience is much different. 4 Generally, the culture does not “celebrate” enough and could improve its approach to recognizing wins; however there is a significant portion of the workforce that has long tenure with feelings of entitlement. 5 Because its values are similar to many of those shared by today’s millennials, Company ABC would be a good fit; however, the Headquarters is not necessarily attractive (e.g. social scene).</td> </tr> <tr> <td>Talent Strategy </td> <td>6 Company ABC seldom recruits at the entry level and there is a perception that Associates are brought in at a premium for experience.</td> </tr> <tr> <td>Compensation </td> <td>7 Generally, many do not perceive base salary to be competitive. In addition, there has been a lot of noise as many Associates are unhappy that profit sharing is based on a percentage of base salary. 8 Many Production Associates have second and third jobs – immediate cash is critical as many live paycheck to paycheck (“single disruption away”) and take home pay has decreased for many Associates year over year as annual increases have been outpaced by increases in healthcare contributions.</td> </tr> </tbody> </table>	Category	What We Heard	Business Strategy 	1 Growth is critical, key is to balance innovation and technology while maintaining customer focus without sacrificing values. 2 The business strategy has been extremely thoughtful so that Company ABC can maintain a no-layoff policy, but yet perform under stress in a down economy.	Branding / Culture 	3 Company ABC is a “welcomed employer” and a “values based organization” that cares about its Associates and the environment; however, U.S. Associates outside of Headquarters do not necessarily have the opportunity to share in the culture and their daily experience is much different. 4 Generally, the culture does not “celebrate” enough and could improve its approach to recognizing wins; however there is a significant portion of the workforce that has long tenure with feelings of entitlement. 5 Because its values are similar to many of those shared by today’s millennials, Company ABC would be a good fit; however, the Headquarters is not necessarily attractive (e.g. social scene).	Talent Strategy 	6 Company ABC seldom recruits at the entry level and there is a perception that Associates are brought in at a premium for experience.	Compensation 
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Career 										
Workplace 										
Communication 										

PHASE 1: DISCOVERY & BENCHMARKING

1C: EMPLOYEE RESEARCH



PHASE 1C: EMPLOYEE RESEARCH

Conduct employee research to understand the importance and satisfaction of reward programs to employees, using analytics to understand employee behaviors.

KEY WORK STEPS

6 REVIEW PREVIOUSLY CONDUCTED RESEARCH

- Review any and all previously conducted employee research (such as the most recent engagement survey) to identify gaps and lack of alignment between leadership and each of the employee groups.

7 ANALYZE REWARD PROGRAM UTILIZATION

- Analyze the utilization of various reward programs across employee personas (for example, compensation increase, incentive program participation, benefit program utilization and levels, policies related to work/life, etc.).

DELIVERABLES

- Program utilization metrics for each persona

PHASE 1C: SAMPLE DELIVERABLES EMPLOYEE RESEARCH: PROGRAM UTILIZATION



PROGRAM UTILIZATION

KEY FINDING	STATISTIC	INSIGHTS
Average annual salary increase	6%	Salary increase are above average relative to other clusters.
Retirement plan participation	88% [3%] 13%	Pre-tax participation is relatively high, but there are missed tax optimization opportunities in the Roth.
CDHP medical plan HSA Healthcare FSA	26% 28% 11%	Many are missing out on the additional tax-optimization opportunities available for health savings.
Voluntary whole life Voluntary critical illness Voluntary accident	9% 15% 12%	This group is driving the VB take-up, but their dollars could be more valuable if allocated to retirement.

IMPLICATIONS

- Provide opportunities for quick pay progression and learning; although opportunities for saving should be provided, keep in mind that this persona focuses on the "here and now."
- Encourage tax optimization through the HSA, FSA and Roth as a means to wealth accumulation; also consider an ESPP for an additional savings opportunity.
- Promote visibility of financial planning and coaching resources, such as budgeting tools and guidance.
- For this highly educated cluster, consider student loan assistance or student debt refinancing.

PHASE 1: DISCOVERY & BENCHMARKING

1D: BENCHMARKING AND COST REVIEW



PHASE 1D: BENCHMARKING AND COST REVIEW

Conduct benchmarking to understand the competitiveness of reward programs and competitiveness of total remuneration, and examine the current spend on total rewards cost.

KEY WORK STEPS

8 TOTAL REWARDS BENCHMARKING

- It is Mercer's approach to market price the jobs of the City based on each of the employee groups and their job families for assessing the current rewards (compensation & benefits) programs of the City.
- Conduct total rewards benchmarking for up to 460 jobs against agreed compensation sources (Mercer proprietary survey *Mercer Benchmark Database*, PayScale and any surveys purchased by the City) to assess the market competitiveness of the following components: base salary, total cash compensation, health benefits, total remuneration. It is understood the City has readily available and updated job descriptions that can be tied to market benchmark jobs. An initial review session of the benchmarking will be scheduled to discuss the findings.
- Statistical data provided will include the 25th, 50th, and 75th percentile for base salary, total cash compensation, health benefits, total remuneration. Mercer will provide a gap analysis / comparison by job against the chosen market to highlight any differentials to market.
- Mercer will provide a report of competitiveness analysis findings to the City as a final product.

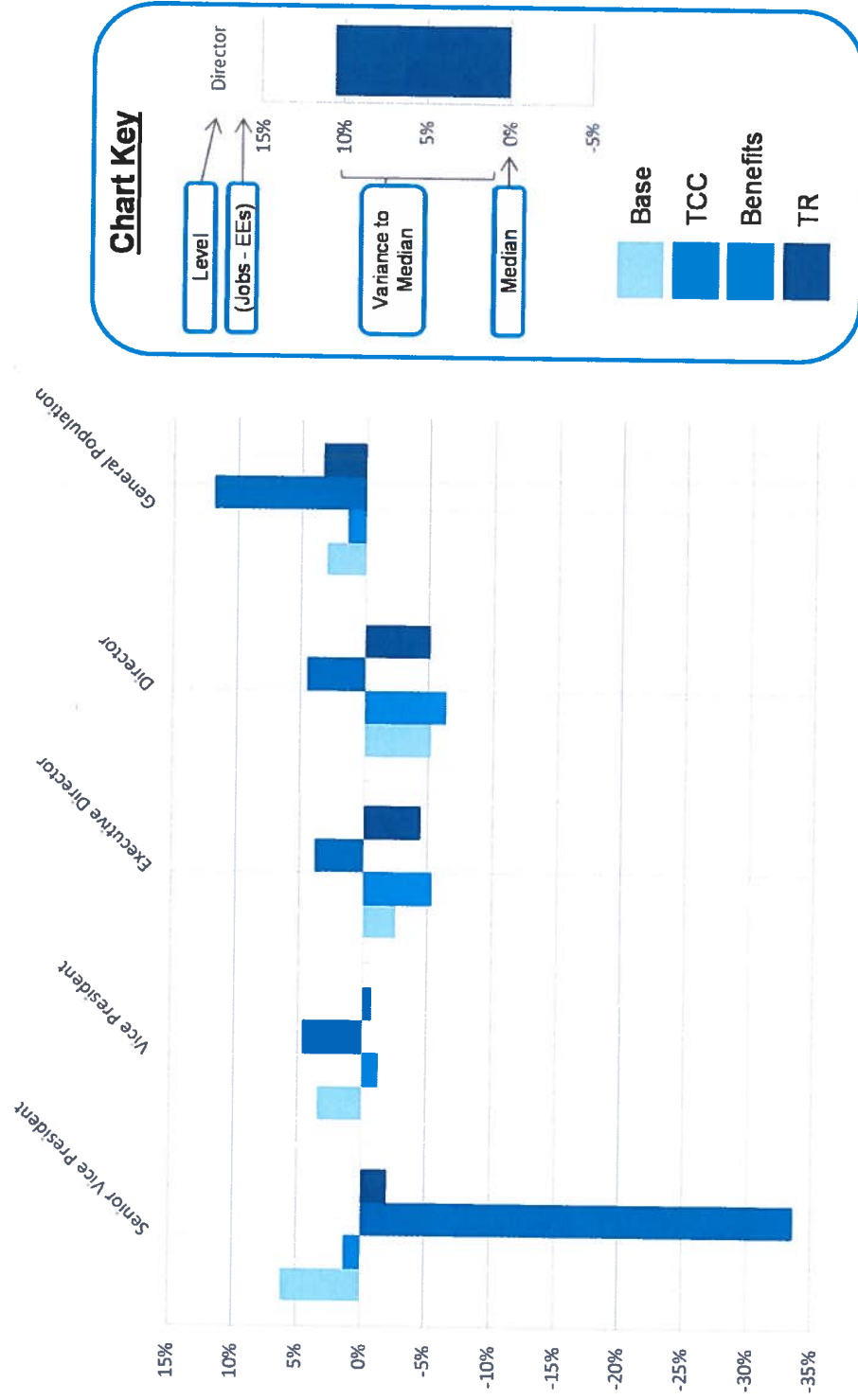
9 COST REVIEW

- Analyze the cost of rewards programs.
- Compare current cost relative to employee satisfaction and importance for rewards programs.

DELIVERABLES

- Total rewards benchmarking
- Cost analysis

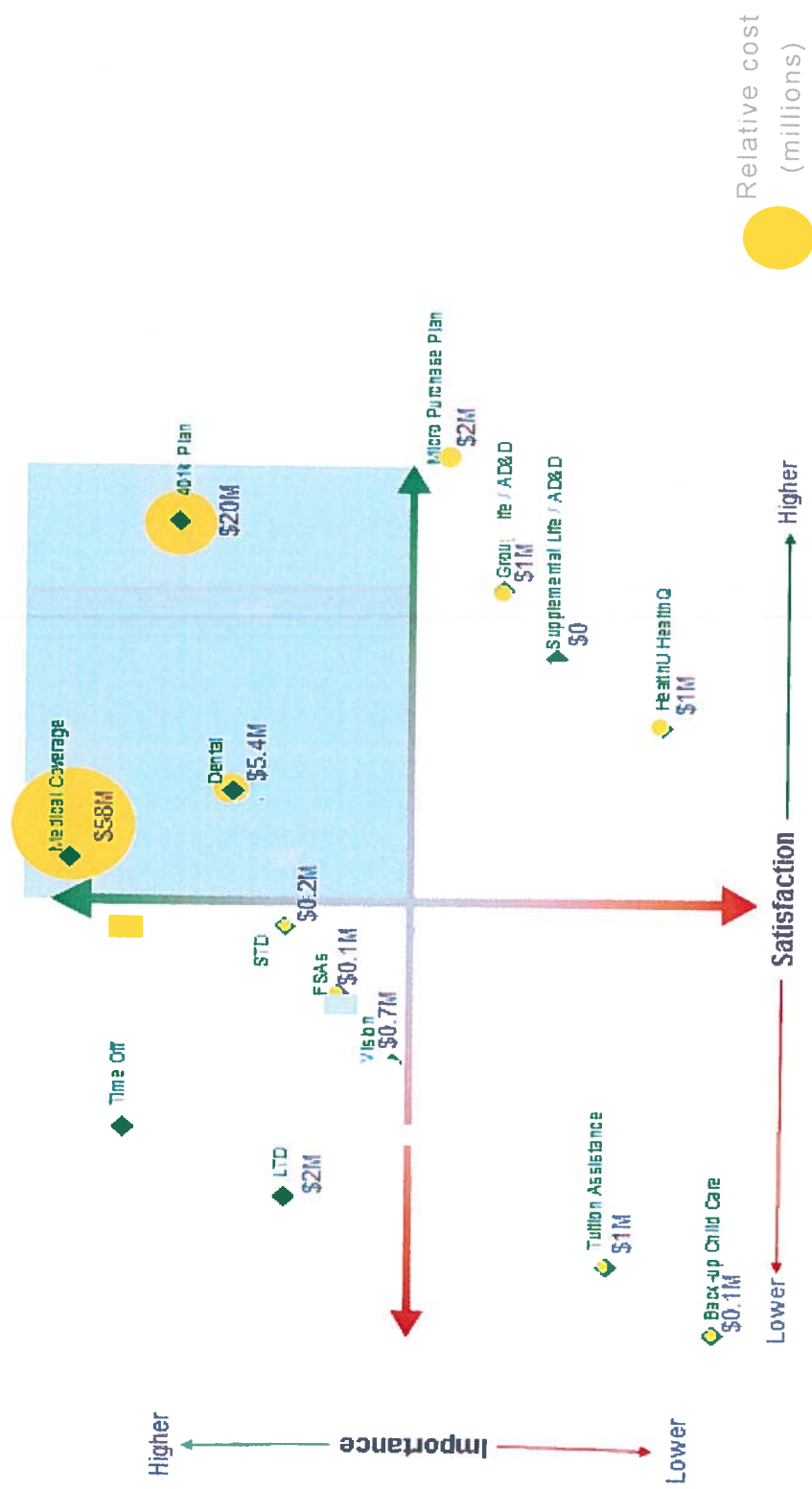
PHASE 1D: SAMPLE DELIVERABLES TOTAL REWARDS BENCHMARKING



PHASE 1D: SAMPLE DELIVERABLES PROGRAM COST REVIEW



Comparing program costs relative to perceived values provides insight on priorities — but should be considered in conjunction with employee behaviors.



PHASE 1: DISCOVERY & BENCHMARKING

1E: SOCIALIZING FINDINGS



PHASE 1E: SOCIALIZING FINDINGS

Prepare summary of findings from the discovery phase and socialize results with key stakeholders.

KEY WORK STEPS

10 FINDINGS AND IMPLICATIONS

- Prepare executive summary of findings across all perspectives (employer, employee, cost and external market) and implications on future state rewards strategy. Full report on rewards (compensation & benefits) including benchmarking and market prevalence comparison.

11 SOCIALIZING FINDINGS

- Mercer and the City project teams will meet with key stakeholders via a full-day meeting to include materials from benchmarking results, interviews, stakeholder analysis and communication audit findings.

DELIVERABLES

- Executive summary of current state findings

PHASE 2: CREATE KEY WORKSTEPS



PHASE 2: CREATE

Develop a Total Rewards Framework for driving decisions, and prioritize actions accordingly.

KEY WORK STEPS

1 REWARDS PRINCIPLES

Conduct a workshop to identify a set of guiding principles that will facilitate philosophy-setting, plan design and implementation of decision-making framework. Rewards principles to include:

- Segmentation — How different should rewards programs be to meet the needs of different groups?
- Role of each element — What is the purpose of each reward vehicle?
- Comparator groups — What is the competitive labor market for talent?
- Competitive positioning — Where should pay be positioned in the market?
- Performance orientation — How should rewards align to performance?
- Internal equity — What is the importance of the relative internal value of work?
- Governance — Who makes decisions regarding rewards?
- Communication — How and with whom will rewards information be shared?
- Administration — How will we administer programs to ensure regulatory compliance?

2 HOLISTIC REWARDS FRAMEWORK

- Develop holistic rewards framework encompassing all elements of total rewards (compensation, benefits, career, well-being and purpose).

3 CONDUCT CLUSTER ANALYSIS TO FORM EMPLOYEE PERSONAS

- Identify characteristics for cluster analysis; i.e. employee groupings' value importance and needs
- Conduct cluster analysis.
- Conduct working session with the City to validate clusters and identify personas.

DELIVERABLES

- Rewards guiding principles
- Holistic Rewards Framework
- Employee profiles, or "personas"

PHASE 2: CREATE KEY WORKSTEPS



PHASE 2: CREATE (CONTINUED)

Develop a Total Rewards Framework for driving decisions, and prioritize actions accordingly.

KEY WORK STEPS

4 REWARDS STRATEGY BLUEPRINT

- Develop strawman rewards blueprints for programs based on desired principles, holistic framework, and rewards implementation strategy map.
- Conduct a workshop with the City to review rewards strategy blueprint and agree on direction and priorities.

5 REWARDS IMPLEMENTATION STRATEGY MAP

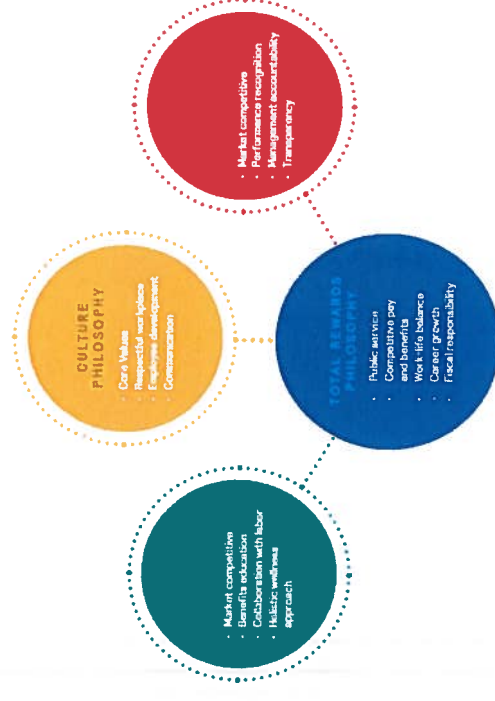
- Prepare rewards implementation strategy map capturing results of all discovery work with potential approaches for change based on current cost and findings across all elements of discovery (employee satisfaction and importance, utilization, impact on outcomes — such as engagement and productivity — and market benchmarking).
- Conduct a workshop with the City to review framework and investment strategy map and agree upon priorities.

6 GAP ANALYSIS AND PROGRAM INTERVENTIONS

- Based on defined principles and agreed upon blueprint, identify key gaps in the current state relative to the desired future state.
- Identify potential interventions for change based on findings.
- Formulate a stakeholder impact and gap / opportunity analysis to support communication planning and EVP statement
- Conduct a workshop with the City to review gap analysis and identified interventions.

DELIVERABLES

- Rewards strategy blueprint
- Gap analysis and program interventions
- Stakeholder impact analysis and communication gap/opportunities
- Rewards Implementation Strategy Map



REWARDS STRATEGY COMMON DESIGN PRINCIPLES

Segmentation	How different should the reward programs be to meet the needs of different groups?
Role of each element	What is the purpose of each reward vehicle (for example, base salary, incentives, benefits, etc.)?
Comparator group(s)	What is the competitive labor market for talent?
Competitive positioning	Where should pay be positioned to the market?
Performance orientation	How should rewards align to individual and/or organizational performance?
Internal equity	What is the importance of the relative internal value of work?
Governance	Who makes decisions regarding rewards management responsibility?
Communication	How and with whom will rewards information be shared?
Administration	How will we administer programs and ensure regulatory compliance?

PHASE 2: SAMPLE DELIVERABLES REWARDS PRINCIPLES



KEY PRINCIPLES FOR CONSIDERATION



- KEY REWARD STRATEGIES AND PRINCIPLES**
- PROVIDE A COMPETITIVE REWARDS PACKAGE**
- Provide a competitive rewards package consisting of the following elements and purposes
 - Base Pay – Reward employees skills, knowledge and experience and recognize competitive market and sustained performance
 - Short-term Incentives – Reward company and individual performance at levels that are consistent with similar roles in the market
 - Long-term Incentives – Align rewards with sustained performance and potential in order to drive retention
 - Innovation Incentives – Reward completion of exceptional performance of special projects or initiatives
 - Eligibility for these compensation elements are guided by the market and will vary by career level
 - Actively research the competitive market where we compete for talent and determine appropriate market position (which may vary by role or segment)
 - Continually review our programs and practices to ensure alignment with the external market and create compensation opportunities in total
- REWARD PERFORMANCE THAT MATTERS**
- Cascade goals that clarify how our mission and goals translate into meaningful goals for each employee
 - Differentiate individual performance levels so that we can drive differentiated investments in our people
 - Provide multiple reward levers – both quantitative (merit, incentives (short term and long term) and qualitative (career advancement, growth) – that support our high performance, innovative focus
 - Reward our exceptional contributors through premium level rewards and career development opportunities
 - Align incentive opportunities with key drivers of the business
- BALANCE BUSINESS NEEDS AND EMPLOYEE VALUES**
- Align rewards with the elements valued by the workforce working within the business financial parameters
 - Manage the sustainability and affordability of all programs through cost modeling and scenario analysis
 - Understand how employees value compensation components through the use of employee surveys, focus groups, internal analyses
- PROMOTE TRANSPARENCY AND UNDERSTANDING OF OUR PROGRAMS**
- Drive employee understanding as to how individual behaviors can impact business results and compensation
 - Provide managers with the tools needed to make informed compensation decisions and that enable them to communicate program details to employees for better understanding and value
 - Encourage employee understanding of compensation programs through open communication, consistency in execution and regular employee concerns
- RECOGNIZE THE DIVERSITY OF OUR TALENT**
- Reflect the unique compensation needs of critical workforce segments across the organization where it is supported by our business needs, market dynamics and/or employee needs

GUIDEPOSTS FOR DESIGN

PHASE 2: SAMPLE DELIVERABLES

EMPLOYEE RESEARCH: PERSONA ANALYSIS



WORKFORCE SEGMENTS	FACTORS				ADDITIONAL ATTRIBUTES				
	Median age	Median service	Median base	Living area median house price	# EEs	2015 turnover	% female	% exempt	% with family health coverage
<p>Just Starting I'm still figuring out what interests me and getting used to managing my own budget.</p> <p>Career Launching I've found an area I'm interested in building a career in and am thinking about my future.</p> <p>Core Support I'm comfortable with where I am and continue to enjoy working at Company ABC. I'm looking for job stability and to take the best advantage of the programs my company offers.</p> <p>Strivers I remain focused on career growth but am also focused on cash compensation.</p> <p>Free Agents Throughout my career, I have not been afraid to change companies to pursue engaging work and get the most for my family; I offer expertise and am well-connected.</p> <p>Loyal Creators I am passionate about my work and am looking to share in my company's success, both monetarily and through recognition.</p> <p>Leaders I know how to motivate my teams and am interested in building wealth; I may have been a Free Agent who was enticed to stay with the organization.</p>									
Overall									

HOLISTIC REWARDS FRAMEWORK SAMPLE MATERIAL



CURRENT STATE

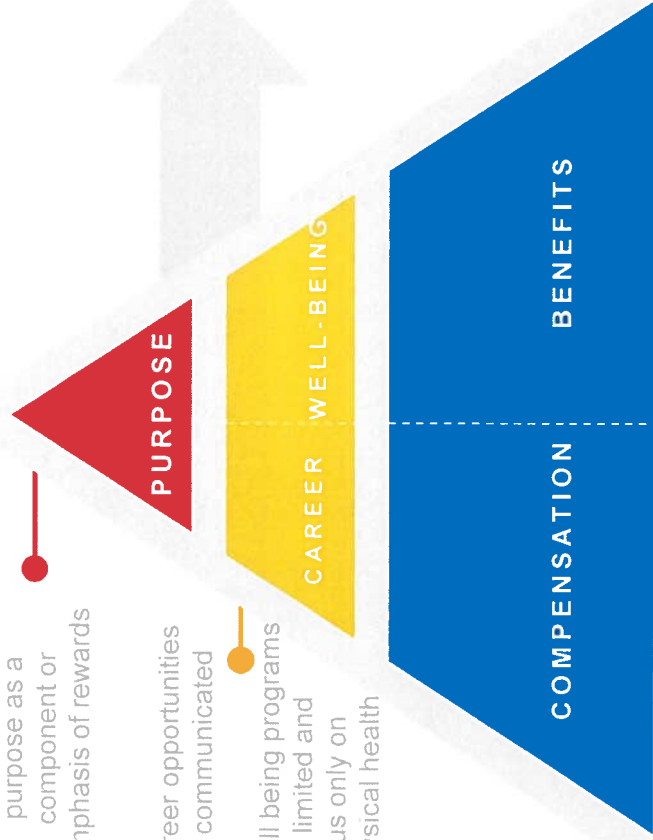
Primary emphasis on contractual offerings

Limited leverage of purpose as a component or emphasis of rewards

Career opportunities not communicated

Well being programs are limited and focus only on physical health

Primary emphasis and focus of programs and communication



FUTURE VISION

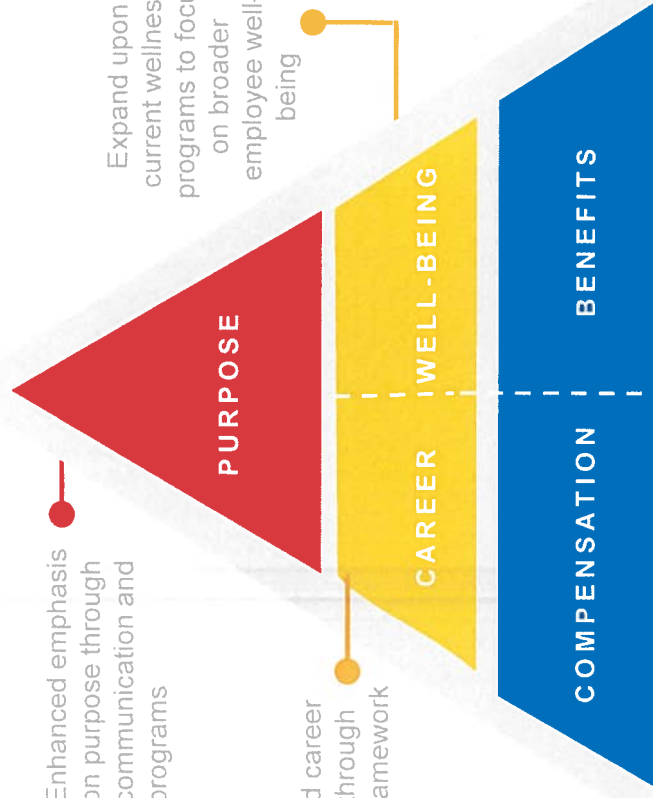
A more balanced portfolio

Enhanced emphasis on purpose through and communication and programs

Improved career pathing through career framework

Expand upon current wellness programs to focus on broader employee well-being

Address any gaps in competitive pay and benefits



PHASE 2: SAMPLE DELIVERABLES REWARDS IMPLEMENTATION STRATEGY MAP



An implementation strategy map summarizes findings across preferences, analytics and cost to drive informed decisions in rewards program investments.

REWARD ELEMENT	IMPORTANCE	SATISFACTION	PROGRAM UTILIZATION	COMPETITIVENESS	ENGAGEMENT IMPACT	COST	ACTION
BASE PAY	+	●	←	●	↔	\$\$\$	Maintain investment
INCENTIVE PROGRAMS	●	■	→	●	▲	\$\$	Focused investment
HEALTH/WELFARE BENEFITS	■	●	←	●	▲	\$\$\$	Reduce / limit investment
RETIREMENT BENEFITS	+	●	→	●	↔	\$\$\$	Maintain investment
CAREER	●	■	→	●	▲	\$\$	Focused investment
WELL-BEING PROGRAMS	■	+	→	●	↔	\$\$	Maintain investment
FLEXIBILITY PROGRAMS	+	■	→	●	▲	\$	Focused investment
<div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;"> <p>+</p> <p>●</p> <p>■</p> </div> <div style="text-align: center;"> <p>←</p> <p>→</p> <p>↔</p> </div> <div style="text-align: center;"> <p>HIGH</p> <p>MODERATE</p> <p>LOW</p> </div> <div style="text-align: center;"> <p>●</p> <p>●</p> <p>●</p> </div> <div style="text-align: center;"> <p>ABOVE MARKET</p> <p>AT MARKET</p> <p>BELOW MARKET</p> </div> <div style="text-align: center;"> <p>▲</p> <p>↔</p> <p>▲</p> </div> <div style="text-align: center;"> <p>DRIVER</p> <p>NO RELATION</p> <p>REDUCER</p> </div> <div style="text-align: center;"> <p>\$\$\$ HIGH</p> <p>\$\$ MODERATE</p> <p>\$ LOW</p> </div> </div>							

PHASE 2: SAMPLE DELIVERABLES BLUEPRINT



	Role of reward element	Competitive positioning	Impact of positioning	Metrics
Compensation	Base pay	25th percentile	Risk tolerance	Acceptance rate turnover; appropriate skills
	Incentives	Base + STI = 75th percentile	Performance orientation	Business results
Benefits	Medical	Leading-edge design; 50th percentile	Desirable employer	Cost and value delivered
	Retirement	50th percentile	Facilitation of orderly retirement	Retirement readiness
Careers	Career pathing	Pay/benefits balanced with career opportunities	Supporting "build" talent strategy	Percentage of outside hires
	Workplace/lifestyle	Environment difficult to match by competitors	Attraction/retention of qualified staff	Commitment index; turnover
Well-being	Physical, emotional, financial	Leading-edge design	Healthy, engaged and productive workforce	Employee health, costs, retirement readiness
	Paid volunteer time	Providing purpose and giving back	Engaged and connected to mission	Commitment index; turnover

PHASE 3: COMMUNICATE CHANGE KEY WORKSTEPS



PHASE 3: PREPARE TO COMMUNICATE CHANGE

Close the gap between the current state and desired future state by executing desired program changes and communication.

KEY WORK STEPS

1 BUILD ROADMAP FOR CHANGE

- Build high level communication plan for change that outlines key priorities and timing to close the gap between the current state and desired future state.
- Socialize roadmap with key stakeholders and refine.

2 EVP COMMUNICATION FRAMEWORK

- Develop the current and aspirational EVP statement framework and high-level key messages taking into account any new rewards program and components that will be implemented in the future.
- Engage key stakeholders with a half-day workshop to secure a high level of commitment and buy-in with the EVP statement and communication plan.
- Develop a high-level Total Rewards change management and communication plan.

DELIVERABLES

- EVP statement, Key messages
- Total Rewards change management and communication plan

MERCER'S EVP COMMUNICATION APPROACH PREPARING FOR CHANGE



The City of Gainesville seeks to remake the civic experience and become the most citizen-centric city in the world. To reach this goal, the City aims to conduct a Study and then design a Total Rewards Program to attract, motivate and retain talent to support the journey of becoming a New American City and an Employer of Choice.

From the launch of the Total Rewards Study to possible program changes, this effort may represent significant change for City leaders and employees. Mercer's change management and communication development process is scalable from building a strategic communication plan to assisting the City in creating ongoing campaigns or tools to communicate Total Rewards program changes over time.



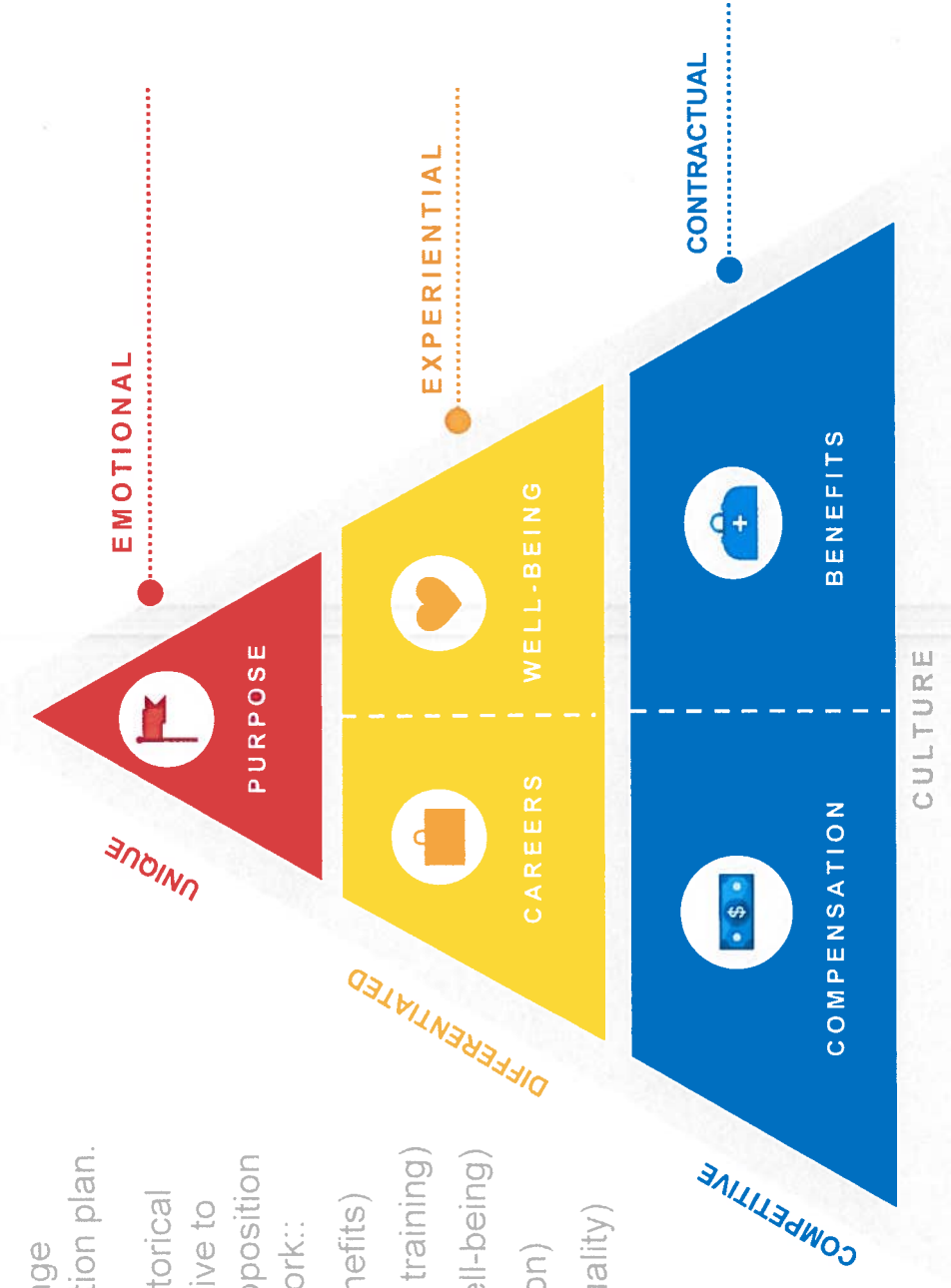
MERCER'S EVP COMMUNICATION APPROACH BRINGING THE STRATEGY TO LIFE



Mercer is uniquely positioned to partner with you to develop an integrated Total Rewards change management and communication plan.

We apply a combination of historical knowledge and fresh perspective to craft your Employee Value Proposition (EVP) communication framework::

- **Reward** (compensation, benefits)
- **Opportunity** (future career, training)
- **Work** (interest, flexibility, well-being)
- **Company** (culture, reputation)
- **People** (collegial culture, quality)



PHASE 3: SAMPLE DELIVERABLES HIGH-LEVEL COMMUNICATION PLAN



REFINE PLAN

Get ready for change in each Total Rewards area:

- Fine tune key message platform for each Total Rewards area
- Confirm communication channels, costs, and timing
 - Print or internal publications
 - Face-to-face
 - Technology
- Start developing deliverables to ready the City by educating leaders, managers and administration staff in advance of communication to employees. This can include:
 - In-person training
 - Webinars
 - Previews of employee communication
 - Toolkits with talking points and FAQs



ENGAGE

Prepare stakeholders:

- Briefings for Leaders and Managers

Potential channels

- Leader toolkit with talking points and FAQs (targeted messages for different groups)
- Preview communication strategy

Announce to employees:

- Set the stage for health, well-being, retirement or compensation & benefit changes using the City EVP to help tell the story
- Target messages and deliverables for different groups

Potential channels

- Email announcement
- Home mailing
- Leader video message



EDUCATE/ENROLL

Educate employees on health and well-being benefits:

- Provide a deeper dive into health plans and resources
- Introduce tools and resources to support decision-making
- Provide enrollment instructions and reminders

Potential channels

- Leader toolkit
- Enrollment guide
- Town halls
- Interactive tools to support good decisions
- Enrollment overview and checklists
- New benefits portal

Launch external talent brand:

- Launch recruitment campaign

Potential channels

- Recruiter toolkit
- New career home page
- Onboarding portal
- Social media



EQUIP FOR FUTURE

Educate employees on retirement or compensation benefits:

- Provide a deeper dive into retirement or compensation benefits to educate the value
- Focus on steps employees can take now to build savings

Potential channels

- Leader toolkit
- Personalized Total Rewards statement
- Retirement Benefits guide
- Benefits portal content to promote planning resources

Education on using health

benefits:

- Provide a deeper dive into making the most of health benefits

Potential channels

- Use Well guide
- Website content

PHASE 3: CASE STUDY COMMUNICATION SAMPLE DELIVERABLES



Key Campaign Elements:

Developed the “Wellbeing 365” brand to introduce health and finance (retirement and compensation) changes.

Media included leader toolkits, newsletters to the home, town halls, microsite, videos, interactive tools, and print open enrollment support.

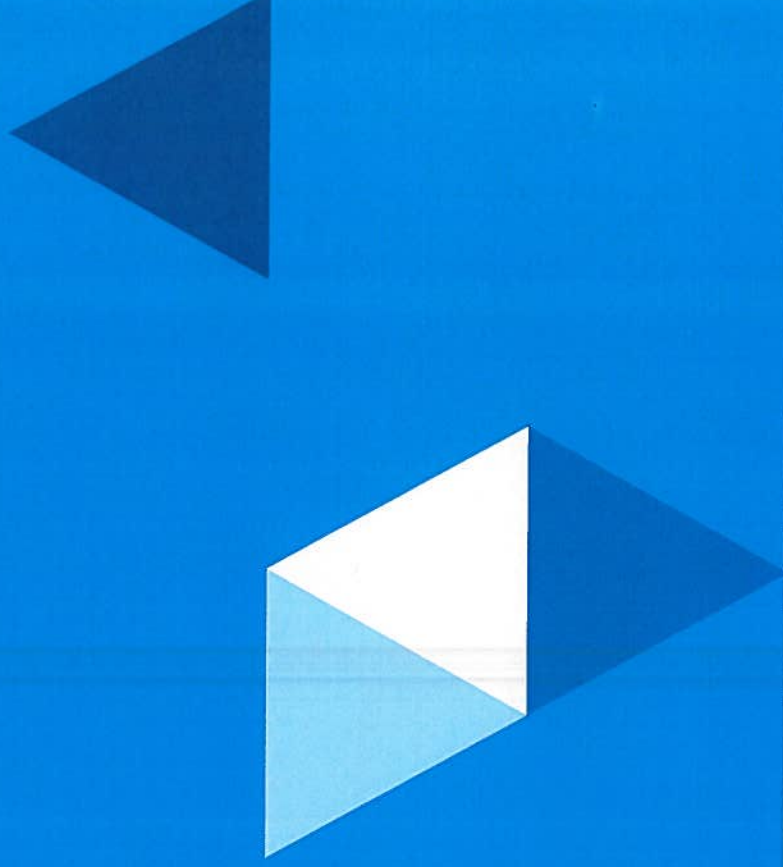
Map out the strategy

Launch the brand

Communicate enrollment in the context of the new brand

Introduce digital and print solutions that can engage traditionally hard to reach audiences

QUALIFICATIONS



ABOUT MERCER

- The Mercer team is uniquely qualified with significant experience in all aspects of compensation and benefits with municipalities and state government agencies as well as many public and private entities in across the United States. We commit to a citizen-centered purpose to support the City. We will work to help the City embrace its entrepreneurial mindset in order to empower its citizens and their participation in the City. We bring forward the collective resources of Mercer to provide you with solid independent advice that reflects the challenges facing organizations such as yours. We are dedicated to objectivity and to serving your best interests and your stakeholders by:
 - *Working in partnership.*
 - *Providing you with high-quality work.*
 - *Being a trusted advisor.*
 - *Having the resources to meet your needs.*
- Mercer is one of the world's largest HR consulting firms, with a global reach to which no other firm can compare. We have more than 20,000 people working in offices located in more than 42 countries and 180 cities worldwide and over 25,000 clients. Mercer has been advising to government agencies and tax-exempt organizations since its inception.
- Mercer maintains a number of robust surveys (proprietary to Mercer and to other vendors) that collect information on compensation practices. Mercer's survey library such as the Mercer Benchmark Database (MBD) not only houses compensation surveys, but also collects data on benefits, perquisites, incentives, etc. across all functional areas. Our analysis will incorporate our extensive Mercer resources, including our proprietary compensation surveys and our best practices knowledge base.

MERCER PORTFOLIO



MERCER'S COMMUNICATION TO SUPPORT YOU

OUR MISSION:

Drive stakeholder engagement through innovative and effective strategies, messaging and experience.

40+
YEARS

CONSULTANTS

195

HEALTH & REWARDS
COMMUNICATION

75%

DESIGNERS & WEB
PROGRAMMERS WITH 400+ WEB
SITES & DIGITAL TOOLS
LAUNCHED

SERVING 800
CLIENTS WITH

200+

LARGE
EMPLOYERS

29

Change management
Total rewards communication
Digital experiences from interactive tools to fully personalized web portals

- Employee research
- Employee value proposition
- Strategic communication planning
- Change management
- Total rewards communication
- Digital experiences from interactive tools to fully personalized web portals

MERCER'S ROBUST, MARKET LEADING DATABASES PROVIDE INDUSTRY-SPECIFIC & GLOBAL SURVEY DATA

Mercer is a leading global provider of compensation and benefits data. Whether it be a custom proxy analyses based on proxy filings or a large data regression based on Mercer's proprietary survey data, our consultants will develop market data that is clearly communicated to the committee and provides the best insights into the City's current market for talent

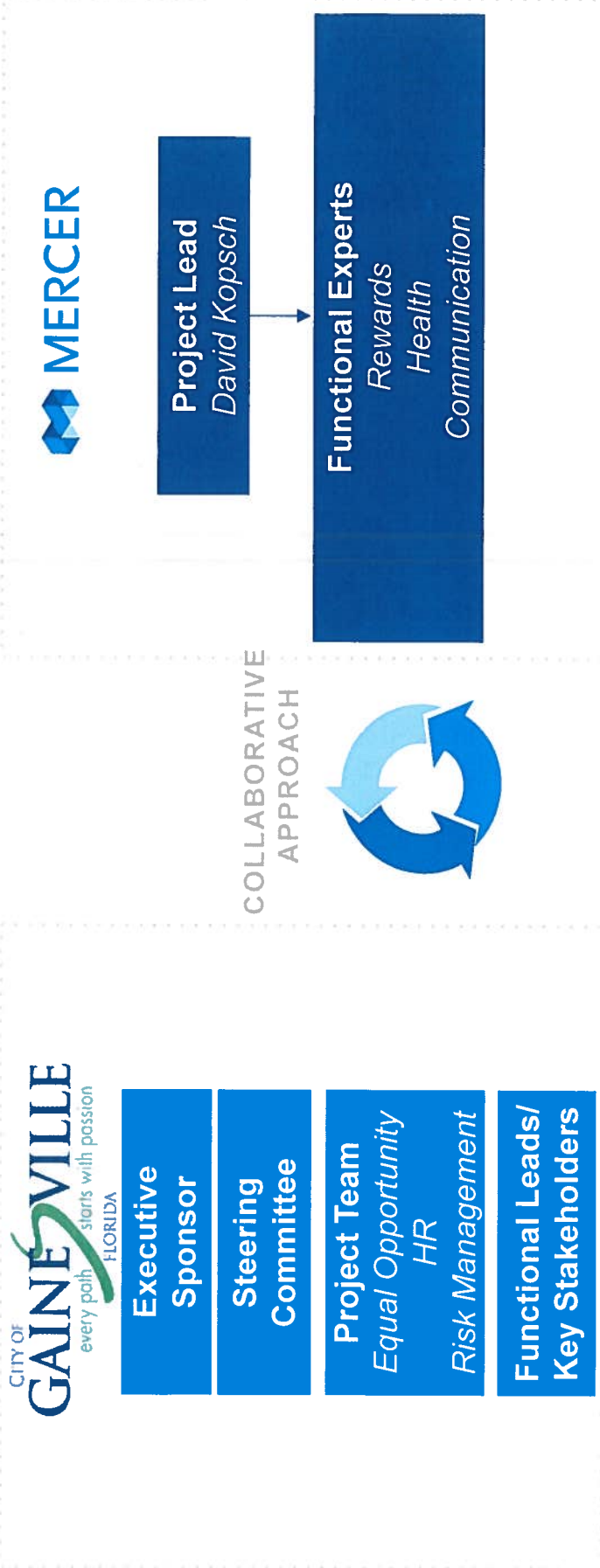
- **United States Mercer Benchmark Database (MBD):** General industry data of more than 1,500 positions and includes thousands of organizations derived from over 2.5 million employees across the United States
- **Short-Term and Long-Term Incentive and Equity Survey:** Presents several key issues and trends relating to incentives across 75 key markets around the world. US report includes design practices and levels in public and private companies
- **Mercer Disclosure Database:** Executive and director rewards data and equity plan data from public filings of 3,000 publicly traded companies
- **Mercer Global Executive Remuneration Database:** Executive rewards data for about 250 positions and includes more than 2,500 companies with ability to provide custom peer groups. Sub-surveys include:
 - Fortune 500® Organizations
 - Privately-Held Companies
 - Mid-Sized and Small Companies



OUR GLOBAL BUSINESS STANDARDS

- *Our Global Business Standards were established to manage potential conflicts of interest and preserve the integrity of our advice.*
 - *Managing the relationship:* We establish a clear, mutual understanding of our role, client reporting relationship, project deliverables, timeframe and fees, and information sharing protocols; and we document it in our agreement with you.
 - *Ensuring the quality of our advice:* Compensation projects are led by senior consultants in the rewards line of business and all advice is peer reviewed.
 - *Structuring our business:* Consultants report to Career consulting business leadership, who also evaluate their performance and determine their rewards.
 - *Resolving potential conflicts:* Consultants must seek guidance from our business leadership if there is any question of their objectivity or integrity being compromised. We may discontinue relationships where apparent or actual conflicts of interest would impact our advice and cannot be resolved to our mutual satisfaction. Any potential conflicts between Mercer and our clients are reviewed and disclosed.

WORKING WITH MERCER PROJECT TEAM COLLABORATION



- Mercer utilizes a team approach to take advantage of both proximity and talent to meet the needs of the City. The Mercer project team will include David Kopsch, Scott Williams and Renee Afshar from our Atlanta, Georgia office, and Amber Griffith and Matthew Snook from our Tampa, Florida office.
- Mercer requires that all work be peer reviewed by a consultant not directly involved with the team, ensuring independent review. Our team is structured to provide you with the best possible consulting and technical expertise in the most efficient manner to reach your objectives by working closely with the City project team.
- Your team leadership consists of consultants who have complimentary experiences to maximize outcomes for the City. We will provide contemporary thought and challenge norms as the City strives to attract and retain the best talent towards becoming the New America City.

DAVID KOPSCH PRINCIPAL



Present Responsibilities

David is a Principal Consultant in Mercer's Career Business located in Atlanta, Georgia. David assists clients in a variety of topics including: workforce rewards effectiveness, incentive plan performance motivation, and other people engagement practices. His experience includes job architecture and leveling for global organizations, business restructuring and transformation, benefits effectiveness, workforce rewards and recognition, organization effectiveness and process optimization.

Experience

Prior to joining Mercer, David served in various corporate roles including Director of Global Compensation for a multinational retailer, and most recently, was the Rewards & Mobility Leader for a global chemical manufacturer.

David is a World At Work member and has their Certified Compensation Professional (CCP) and Global Remuneration Professional (GRP) designations. He has been a guest presenter on gender pay equity, workforce development and harnessing D&I business resource groups for enhanced business performance.

Education

David earned a Master's degree in Contemporary European Studies from the Universidad Carlos III in Madrid, Spain through the Trans-Atlantic Masters (TAM) program at the University of North Carolina – Chapel Hill. At UNC, David earned a BA for International Studies in International Economics, Political Science and Spanish. He is native bilingual in English and Spanish.

AMBER GRIFFITH PRINCIPAL



Present Responsibilities

Amber is a Principal Compensation Consultant in Mercer, based in Tampa Florida. She is responsible for project leadership and overall service delivery to a broad range of clients. Amber has over 15 years' experience in the human resource and compensation sector where she specializes in developing total rewards strategies which increase employee retention and engagement, while facilitating client growth and profitability.

Amber's background in a variety of industries help her to effectively advise her clients in defining a people strategy tailored to the market and industry in order to compete for top talent. Additionally, Amber helps clients focus on maximizing their investment in people through rewards plans and programs to increase the effectiveness of the HR function and provide long-term value to the company.

Experience

Prior to joining Mercer, Amber held various leadership positions at Bloomin' Brands in Tampa, Florida as Sr. Director of Compensation & Benefits and the Head of HR for the International division. Other positions include Compensation Partner for Tech Data Corporation in Clearwater, Florida and Compensation Consultant for Inova Healthcare System in Northern Virginia.

Education

Amber holds a M.A. in Industrial/Organizational Psychology from Western Kentucky University, as well as Certified Compensation Professional (CCP) and Professional in Human Resources (PHR) designations.

MATTHEW SNOOK

PARTNER



Present Responsibilities

Matthew Snook, a Partner and Senior Health and Welfare Benefits Consultant in Mercer's Tampa office, has expertise in benefit plan strategy, design, marketing, financial analysis, demographic and statistical analyses. Matthew focuses on the use of all types of health and welfare benefit programs to complement and enhance corporate strategic initiatives.

Experience

Matthew has 30 years in the health care and benefits arena and extensive experience with benefits consulting assignments across a wide range of topics, and for companies in a broad array of industries. Matthew has spoken in various forums, including network television, numerous HR Florida and regional SHRM conferences and at national conferences. Topics have included health care cost containment, health care reform, advanced benefit plan design and pricing techniques, consumer directed health plan arrangements, and population health improvement programs. Topics of published articles include benchmarking, defined contribution health plans, and adverse selection control.

Education

Matthew is a graduate of Auburn University, earning a BS in Applied Mathematics and an MS in Statistics from the Graduate School of Engineering. In addition, Matthew has successfully completed five of the courses of actuarial study sanctioned by the Society of Actuaries.

SCOTT WILLIAMS PRINCIPAL



Present Responsibilities

Scott Williams is a principal in Mercer's Atlanta office. He joined the firm in 1992 and has more than 25 years of experience in communication consulting for a vast array of clients. In addition to overall benefits and compensation communication experience, Scott specializes in digital communication solutions.

Experience

Scott has helped clients develop and implement strategic communication plans that engage leaders and educate employees to make informed decisions. From simple plan changes to complex initiatives, Scott employs multimedia approaches, focusing on digital media that create the behaviors his clients need. Scott has provided communication consulting services for such clients as Ahold Delhaize, Inc., Clorox, Norwegian Cruise Lines, FedEx, Sara Lee, Blackboard, Sage, and the US Chamber of Commerce.

Education

Scott earned a Bachelor's degree in English with a major in Professional Writing from Miami University. He has successfully completed all ten courses to receive the designation of Certified Employee Benefits Specialist (CEBS). Scott's work has been recognized by the International Association of Business Communicators (IABC) with international Gold Quill and regional Silver Quill awards.

RENEE AFSHAR SENIOR ASSOCIATE



Present Responsibilities

Renee Afshar is a Senior Communication Consultant in Mercer's Career business based in Atlanta. She has 20 years of experience in human resources communication and consulting. Renee has a background in employee value proposition and employer branding research and communications, talent acquisition marketing, employee engagement/experience communications, as well as executing total rewards benefit and system change management and communications.

Experience

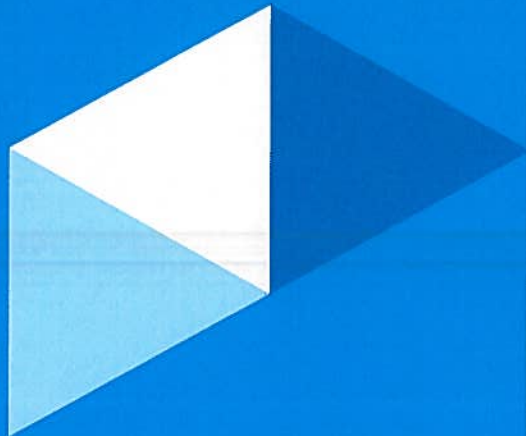
Prior to joining Mercer in 2014, Renee worked at Omnicom and J. Walter Thompson specialty communication firms in the US and Australia, where she developed creative, multi-channel candidate and employee communication solutions that delivered optimal results. Renee has consulted with clients in a variety of industries including consumer products, financial services, health care and manufacturing, mining and retail.

Education

Renee has a BA in Journalism and Mass Communications from Drake University in Des Moines, IA. She received recognition from RAGAN Healthcare Awards, Creative Excellence Awards, and the Interactive Advertising Competition for her communication work. She has also spoken on communication topics such as employer branding and the digital communication landscape.

REFERENCES

ATTACHMENT A



BUSINESS REFERENCES - #1

Attachment A

BIDDER: Mercer (US) Inc.

PROJECT: Total Rewards Study

BID #: HRDX-180040-GD

BID DUE DATE: November 30, 2017

Provide the following business reference information for three clients that a same or similar project has been provided within the past five years. You may include other pertinent information.

1 Dates of Engagement (i.e. 6/2017 to 9/2017): 6/2016 to 12/2016 **Project Amount \$** Upon Request

Project Client Name: Hennepin County, Minnesota

Project Scope: Total Rewards Strategy

City, State Zip: Minneapolis, Minnesota 55487

Client Contact Name: Michael Rossman

Phone Number: 612.348.6761 **Fax Number:**

Email Address: michael.rossman@hennepin.us

BUSINESS REFERENCES - # 2

Attachment A

BIDDER: Mercer (US) Inc.

PROJECT: Total Rewards Study

BID #: HRDX-180040-GD

BID DUE DATE: November 30, 2017

Provide the following business reference information for three clients that a same or similar project has been provided within the past five years. You may include other pertinent information.

2 Dates of Engagement (i.e. 6/2017 to 9/2017): 6/2017 to 4/2018 **Project Amount \$** Upon Request

Project Client Name: WellStar Health System

Project Scope: Benefit Integration Communication

City, State Zip: Marietta, Georgia 30062

Client Contact Name: Robin Boehringer

Phone Number: (470) 644-0204 **Fax Number:**

Email Address: robin.boehringer@wellstar.org

BUSINESS REFERENCES - # 3

Attachment A

BIDDER: Mercer (US) Inc.

PROJECT: Total Rewards Study

BID #: HRDX-180040-GD

BID DUE DATE: November 30, 2017

Provide the following business reference information for three clients that a same or similar project has been provided within the past five years. You may include other pertinent information.

_____ # 3 Dates of Engagement (i.e. 6/2017 to 9/2017): 7/2017 to 1/2018 Project Amount \$ Upon Request

Project Client Name: Coca-Cola

Project Scope: Health & Well-being Communication

City, State Zip: Atlanta, Georgia 30312

Client Contact Name: Michelle Baughman

Phone Number: (770) 989-3101 Fax Number: _____

Email Address: mbaughman@coca-cola.com

**REQUEST FOR EXCEPTIONS TO
REQUEST FOR PROPOSAL NO.
HRDX-180040-GD**



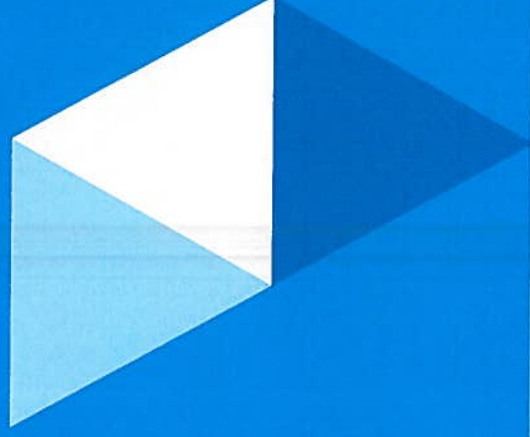
MERCER (US) INC. REQUEST FOR EXCEPTIONS TO REQUEST FOR PROPOSAL NO. HRDX-180040-GD

The following are suggestions for modifications to the materials provided by the City of Gainesville, Florida (the "City") in connection with the Request for Proposals No. HRDX-180040-GD relating to Total Rewards Study: Mercer (US) Inc. ("Contractor") is willing to discuss and consider alternatives that are mutually acceptable to Contractor and the City.

Prior to the commencement of any work in connection with this RFP, Contractor will work with the City to arrive at a mutually acceptable service agreement. Contractor's performance of Services for the City is subject to the negotiation and execution of such an agreement, the terms and scope of services of which may vary from the terms contained in this RFP. See the enclosed sample form of the Mercer Engagement Letter Agreement for additional terms which would be applicable to this engagement.

SECTION NO.	PROVISION	SUGGESTED CLARIFICATION
Section I U.	Records/ Audit	Any audit or inspection should be limited to books and records directly relating to the Services, conducted at the City's expense, made upon reasonable prior written notice, during normal business hours and shall be subject to the execution of a confidentiality agreement reasonably satisfactory to Contractor.
Section V. B. 4.	Indemnification	Contractor will indemnify the City, its affiliates, officers, directors and employees against any liability incurred by the City in connection with a third party claim only to the extent directly arising out of Contractor's negligent acts or omissions or bad faith conduct in connection with Contractor's performance of its obligations under the Agreement or Contractor's breach of its representations and warranties under the Agreement. Contractor should have no responsibility for any losses, liabilities or damages to the extent they are attributable to the acts or omissions of an indemnified person or any third party other than Contractor's subcontractors.
Section V. B. 5.	Insurance	Contractor does not maintain Public Liability Insurance. Contractor will maintain commercial general liability coverage in an amount of \$1,000,000 per occurrence/\$2,000,000 aggregate. The City will be included as an additional insured under the commercial general liability and automobile liability coverage with respect to its vicarious liability arising from Contractor's provision of Services pursuant to the Agreement. Contractor will endeavour to provide the City with 30 days' notice prior to any termination, cancellation or material change to the required policies.
Section V. B. 10.	Join Bidding/ Cooperative Purchasing Agreement	Any use of this contract should be upon the mutual agreement of the parties.

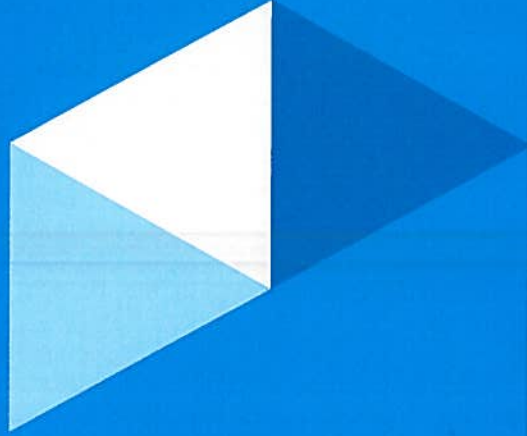
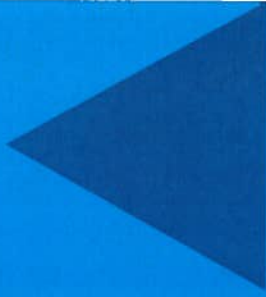
**RESPONSE TO SECTION I. V.
INVESTIGATION OF ALLEGED
WRONGDOINGS, LITIGATION,
SETTLEMENTS, FINES,
PENALTIES**



MERCER (US) INC. RESPONSE TO SECTION I. V. INVESTIGATION OF ALLEGED WRONGDOINGS, LITIGATION / SETTLEMENTS / FINES / PENALTIES

- In the ordinary course of business, Mercer (US) Inc. (“Mercer”) is involved with litigation and other legal proceedings, investigations and inquiries, some of which are conducted on an industry-wide basis. Based on information currently available, the outcomes of currently pending litigation, investigations and inquiries are not expected to have any material adverse effect upon Mercer or its ability to service its clients in the ordinary course.
- Details regarding certain outstanding legal proceedings pertaining to Mercer and its affiliates are disclosed in the public Securities and Exchange Commission filings of Marsh & McLennan Companies, Inc., Mercer’s parent company.

DRUG-FREE WORKPLACE FORM



DRUG-FREE WORKPLACE FORM

The undersigned vendor in accordance with Florida Statute 287.087 hereby certifies that

Mercer _____ does: (Name of Business)

1. Publish a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace and specifying the actions that will be taken against employees for violations of such prohibition.

2. Inform employees about the dangers of drug abuse in the workplace, the business's policy of maintaining a drug-free workplace, any available drug counseling, rehabilitation, and employee assistance programs, and the penalties that may be imposed upon employees for the drug abuse violations.

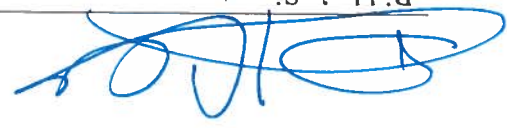
3. Give each employee engaged in providing the commodities or contractual services that are under bid a copy of the statement specified in subsection (1).

4. In the statement specified in subsection (1), notify the employees that, as a condition of working on the commodities or contractual services that are under bid, the employee will abide by the terms of the statement and will notify the employer of any conviction of, or plea of guilty or nolo contendere to, any violation of Chapter 893 or of any controlled substance law of the United States or any state, for a violation occurring in the workplace no later than five (5) days after such conviction.

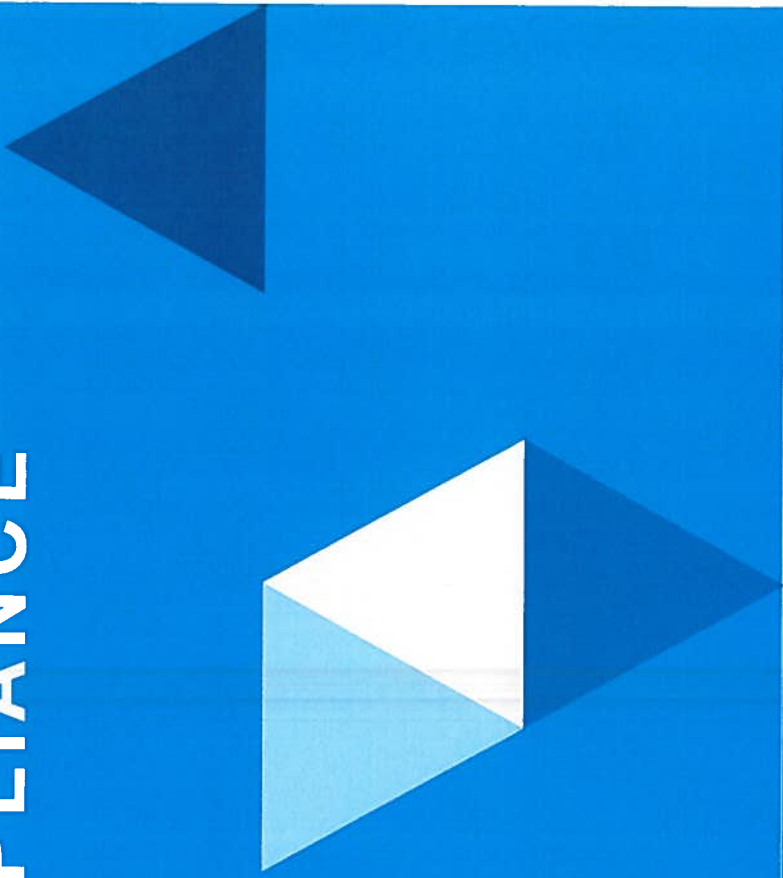
5. Impose a sanction on, or require the satisfactory participation in a drug abuse assistance or rehabilitation program if such is available in the employee's community, by any employee who is so convicted.

6. Make a good faith effort to continue to maintain a drug-free workplace through implementation of this section.

As the person authorized to sign the statement, I certify that this firm complies fully with the above requirements.


Bidder's Signature
Date 11/28/2017

LIVING WAGE COMPLIANCE (EXHIBIT D)



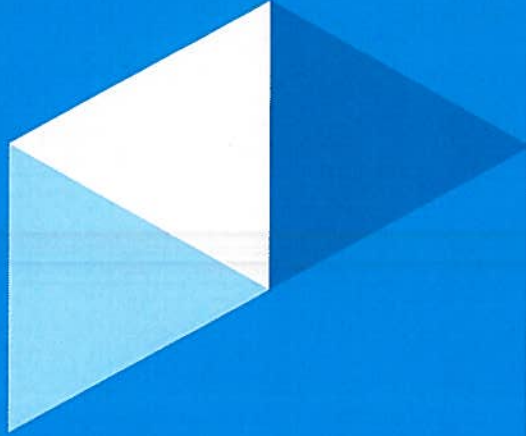
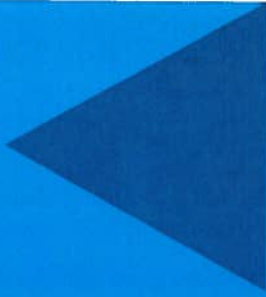
LIVING WAGE COMPLIANCE
See Living Wage Decision Tree (Exhibit C hereto)

Check one:

- Living Wage Ordinance does not apply (check all that apply)
 - Not a covered service
 - Contract does not exceed \$100,000
 - Not a for-profit individual, business entity, corporation, partnership, limited liability company, joint venture, or similar business, who or which employees 50 or more persons, but not including employees of any subsidiaries, affiliates or parent businesses.
 - Located within the City of Gainesville enterprise zone.
- Living Wage Ordinance applies and the completed Certification of Compliance with Living Wage is included with this bid.

NOTE: If Contractor has stated Living Wage Ordinance does not apply and it is later determined Living Wage Ordinance does apply, Contractor will be required to comply with the provision of the City of Gainesville's living wage requirements, as applicable, without any adjustment to the bid price.

PROPOSAL RESPONSE FORM – SIGNATURE PAGE



PROPOSAL RESPONSE FORM – SIGNATURE PAGE

(submit this form with your proposal)

TO: City of Gainesville, Florida
200 East University Avenue
Gainesville, Florida 32601

PROJECT: Total Rewards Study

RFP/RFP#: HRDX-180040-GD

RFP/RFP DUE DATE: November 30, 2017

Proposer's Legal Name: Mercer (US) Inc.

Proposer's Alias/DBA: Mercer

Proposer's Address: 3560 Lenox Road, Suite 2400, Atlanta, GA 30326

PROPOSER'S REPRESENTATIVE (to be contacted for additional information on this proposal)

Name: David Kopsch

Telephone Number 404 442 3173

Date: November 28, 2017

Fax Number 404 442 3300

Email address david.kopsch@mercer.com

ADDENDA

The Proposer hereby acknowledges receipt of Addenda No.'s _____, _____, _____, _____, _____, _____ to these Specifications.

TAXES

The Proposer agrees that any applicable Federal, State and Local sales and use taxes, which are to be paid by City of Gainesville, are included in the stated bid prices. Since often the City of Gainesville is exempt from taxes for equipment, materials and services, it is the responsibility of the Contractor to determine whether sales taxes are applicable. The Contractor is liable for any applicable taxes which are not included in the stated bid prices.

LOCAL PREFERENCE (check one)

Local Preference requested: YES NO

A copy of your Business tax receipt and Zoning Compliance Permit should be submitted with your bid if a local preference is requested.

QUALIFIED LOCAL SMALL AND/OR DISABLED VETERAN BUSINESS STATUS (check one)

Is your business qualified as a Local Small Business in accordance with the City of Gainesville Small Business Procurement Program? (Refer to Definitions) YES NO

Is your business qualified as a Local Service-Disabled Veteran Business in accordance with the City of Gainesville Small and Service-Disabled Veteran Business Procurement Program? (Refer to Definitions) YES NO

SERVICE-DISABLED VETERANS' BUSINESS (check one)

Is your business certified as a service-disabled veterans' business? YES NO

LIVING WAGE COMPLIANCE

See Living Wage Decision Tree (Exhibit C hereto)

Check One:

Living Wage Ordinance does not apply (check all that apply)

Not a covered service

Contract does not exceed \$100,000

Not a for-profit individual, business entity, corporation, partnership, limited liability company, joint venture, or similar business, who or which employs 50 or more persons,

but not including employees of any subsidiaries, affiliates or parent businesses.

Located within the City of Gainesville enterprise zone.

Living Wage Ordinance applies and the completed Certification of Compliance with Living Wage is included with this bid.

NOTE: If Contractor has stated Living Wage Ordinance does not apply and it is later determined Living Wage Ordinance does apply, Contractor will be required to comply with the provision of the City of Gainesville's living wage requirements, as applicable, without any adjustment to the bid price.

SIGNATURE ACKNOWLEDGES THAT: (check one)

Proposal is in full compliance with the Specifications.

Proposal is in full compliance with specifications except as specifically stated and attached hereto.

Signature also acknowledges that Proposer has read the current City of Gainesville Debarment/Suspension/Termination Procedures and agrees that the provisions thereof shall apply to this RFP.

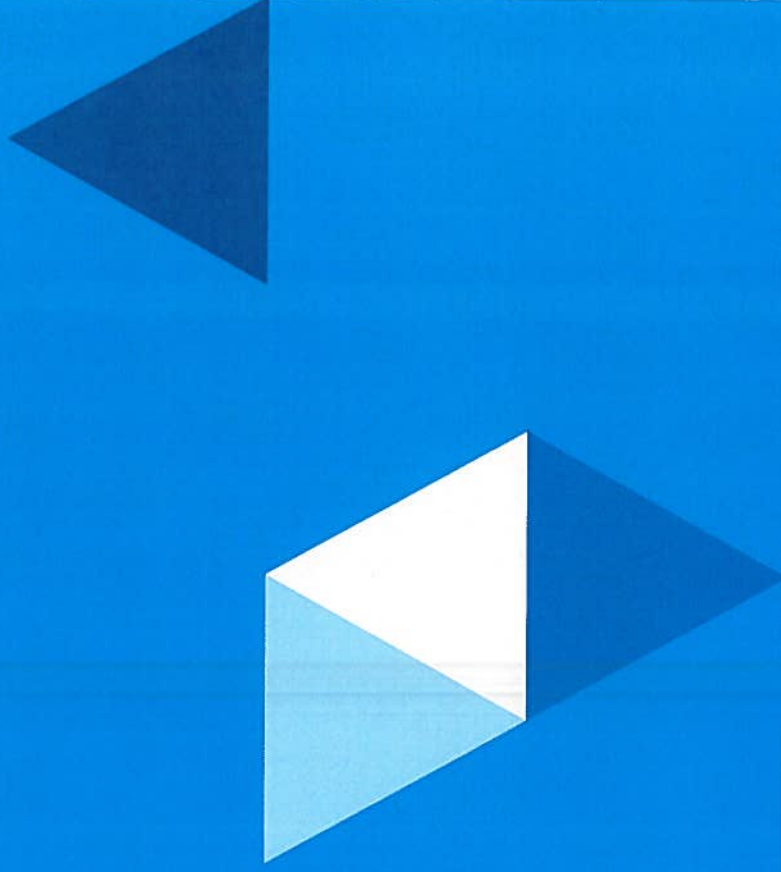
ATTEST:

Signature: Renee S. Van Brunt
By: Renee S. Van Brunt
Title: Notary



(CORPORATE SEAL)
PROPOSER:
Signature: [Signature]
By: David Kopsch
Title: Principal

ADDENDUM NO. 1





APPENDUM NO. 1

Date: November 17, 2017
Bid Name Total Rewards Study

Bid Date: November 30, 2017
at 3:00 P.M. (Local Time)
Bid No.: HRDX-180040-GD

NOTE: This Addendum has been issued only to the holders of record of the specifications.

The original Specifications remain in full force and effect except as revised by the following changes which shall take precedence over anything to the contrary:

1. Any questions shall be submitted in writing to the City of Gainesville Purchasing Division by 3:00 p.m. (local time), November 16, 2017. Questions may be submitted as follows:
Email: dykemanbg@cityofgainesville.org
or
Faxed (352) 334-3163
Attention: Gayle Dykeman

2. Please find attached:

a) Copy of the black out period information (Financial Procedures Manual Section 41-423 Prohibition of lobbying in procurement matters) distributed during mandatory pre-bid meeting.

The following are answers/clarifications to questions received prior to the deadline for questions (11/16/2017):

3. Question: What have been past Human Resources projects by the City of Gainesville in the last two years?
Answer: None

4. Question: What other consultant companies have done prior work for the City of Gainesville?
a) Compensation – Milliman, Wachovia, Evergreen Solutions, Cody & Associates, Dr. Lopez
b) Benefits - Gallagher Benefits Group, Lockton Companies, Silver Risk Management
c) Other HR consulting/talent strategy – Mycoff, Fry and Prouse; Mercer Group; N2Growth;
Colin Baenziger; Springssted and Waters.
Answer: Provided above

5. Question: Do you have a defined employee value proposition (EVP) and employer brand? If yes, what is your EVP statement and employer brand tag line?
Answer: City doesn't have a defined employee value propositions. Below are some recent employer brand tag lines that are used by Talent Acquisition staff:
Come enjoy the Gainesville way of life!
The City of Gainesville is seeking a dynamic and experienced individual who is innovative and forward thinking who will embrace the organization's citizen-centered vision. The community,

its elected leaders, and executive leadership team have embraced this vision.

Embracing change is the Gainesville way of life!
Come join our team as we shift the culture from “No to Yes,” “from reactive to proactive,”
“from policy-oriented to services-oriented,” and “from silos to teams.”

6. Question: Has an inventory of programs for Compensation, Benefits and Work/Life Effectiveness been completed within the last two years? If so, can you share with us?
Answer: No

7. Question: Is there a budget set for the total Rewards Study?
Answer: Yes

8. Question: May we receive a copy of the prior rewards studies you had conducted in 2006 and 2008?
a) What were the fees associated for the study?
Answer: Copies are attached separately in DemandStar.

a) Fees associated with these studies are in archives and staff feels that these fees are not relevant to today's pricing.

9. Question: Do you currently have updated job descriptions and organizational charts?
Answer: Job descriptions are available on the City of Gainesville's website <https://www.governmentjobs.com/careers/gainesville/classspecs>. Please note staff is aware of inaccurate salary ranges in the job descriptions. Staff is working with NeoGov to correct as quickly as possible. Organizational charts are not available.

10. Question: What jobs or employee segments are considered critical with the City of Gainesville?
Answer: The following jobs have long standing recruitment issues: Engineers, Information Technology, Electric Line Workers, Building Inspectors, Plans Examiners, Mosquito Control Services Technicians

11. Question: Is there a rewards philosophy in place for the city of Gainesville? Can it be shared?
Answer: The City of Gainesville's Compensation Philosophy is to have a total compensation and benefit system that attracts and retains a diverse group of highly qualified individuals and motivates employees to achieve short-term and long-term organizational objectives. This is accomplished by providing, in consideration of budgetary constraints, total compensation (including benefits) that is competitive with the market median for the appropriate labor markets for each type of job classification and is linked to performance.

12. Question: How many benefits plans (health, disability, life and retirement) are currently in place for each subgroup/department/employee segment?
Answer: The City offers one health plan, three dental choices, Short-term Disability, both a Group Life and voluntary life option, vision, and a legal product, these are available to each employee group. The individual and overall benefit program can be viewed at: <http://www.cityofgainesville.org/RiskManagement/Department/EmployeeCentral/YourBenefits.aspx>

The City manages two defined benefit retirement plans, one for the non-public safety employees and one for sworn public safety employees. It also has a defined contribution plan (401a) available to professional and management employees upon approval of the appropriate Charter Officer.

13. Question: Can you share your 2017 benefits booklet?
Answer: <http://www.cityofgainesville.org/Portals/0/risk/Benefits/2017%20Benefit%20Booklet.pdf>

14. Question: Are there materials for total rewards communications related to the project to be translated? If so, how many/what languages?
Answer: No

15. Question: Does the City have an online portal that employees use to learn more about their benefits?
Answer: Yes, employees can access their benefits through Employee Self-Service and on the City's employee intranet, they can view presentations, FAQs and videos related to their benefits programs

16. Question: What other firms have been invited to participate in the RFP?
Answer: The list of plan holder firms for this RFP can be viewed at Demandstar.com.

17. Question: Who is expected to be on the City of Gainesville's project team?
Answer: Equal Opportunity Director, Human Resources Director, and Risk Management Director

18. Question: In the description of approach to the work, this statement is unclear: "Description of how you will deal with different Total Rewards systems, driven by market or internal equity and how you will measure the market and apply that information." Can you define this statement to better understand what is expected?
Answer: This is intentionally left vague as staff is relying on the subject matter experts to define their unique approach to the work.

19. Question: Is there any reason for having the work completed within 90 days of the contract award?
Answer: Yes, the FY19 budget planning process begins in March 2018 and the consultant will present recommendations in April/May 2018.

20. Question: Upon completing the Total Rewards Study project, when are you targeting commencement of communications and to implement changes?
a. When do you expect to complete communication activities requiring consultant support?
Answer: Communications has begun and will continue throughout the process until fully implemented.
a. Consultant's support will be considered complete after presentation to City Commission with a summary of the consultant's report and proposed implementation plan.

21. Question: Are you anticipating the vendor will conduct an external total rewards survey (including base pay, benefits such as medical, retirement, and paid leave, work/life programs, and pay practices) of your comparators?
Answer: Yes
22. Question: Do you have a predetermined list of comparators that you want to include in the survey? If so, please share.
Answer: No
23. Question: Do you want both public and private market data considered?
Answer: Yes
24. Question: The RFP references the City's Compensation (Total Rewards) Philosophy. Please share your stated philosophy.
Answer: See question #11 for the City's Compensation Philosophy. Currently the City does not have a Total Rewards Philosophy.
25. Question: The RFP indicates that the City requests a final report 90 days after the engagement. Is there any flexibility in your timeline?
Answer: No
26. Question: Is there a budget for the study?
Answer: Yes
27. Question: What challenges are they currently experiencing related to compensation; what business issues are they trying to solve?
Answer: Employee Engagement, Living Wage, Compression, Outdated Salary Structures, effectiveness of Progression through Training programs, Hard to Fill positions
28. Question: What is the compensation/Total Rewards philosophy?
Answer: See question #11 for the City's Compensation Philosophy. Currently the City does not have a Total Rewards Philosophy.
29. Question: In addition to providing benchmarking data around compensation for their roles, do you want an analysis of current incumbent data relative to the market (i.e. market 50th percentile)?
Answer: Yes
30. Question: How is compensation administered internally? Do you have training needs we should consider? Administered through the Division of Classification and Compensation. Training for managers on compensation is currently not offered and would be an advantage.
Answer: Do you have an existing salary structure that needs to be updated or is the intent to have one built?
Answer: Depends on the findings of the study and the consultant's recommendation
31. Question: Do you have an existing salary structure that needs to be updated or is the intent to have one built?
Answer: Depends on the findings of the study and the consultant's recommendation

32. Question: Do you offer any incentive plans?
Answer: No

33. Question: Are job descriptions and organizational charts up to date?
Answer: See question #9

34. Question: Do you have title redundancies and if so, would you like the consultant to address this in our proposal?
Answer: Yes, yes

35. Question: Are you aware of any leveling issues? If yes, what are these issues?
Answer: Yes, between positions that have oversight over the entire organization (e.g., General Government and Gainesville Regional Utilities) versus positions that have similar lines of business for a single segment of the organization.

36. Question: Do you purchase salary surveys?
Answer: No

37. Question: What tools, if any, do you subscribe to as it relates to the management of compensation?
a. Are you interested in any compensation management tools?
Answer: Yes, Economic Research Institute for salary for jobs and geographic salary variances.
a. Yes

38. Question: How have total rewards historically been communicated to employees? Has the approach been effective? What gaps exist?
Answer: No, total rewards system doesn't currently exist.

39. Question: Do different job classifications have different benefit offerings, or do all benefit eligible employees receive the same benefit offering?
a. For example, do police have different medical benefits than firefighters or office personnel?
Answer: Other than retirement plan differences already discussed, the benefits offering are the same.
a. No differences for medical benefits.

40. Question: Please provide the number of plan offerings by benefit type:

- a. Medical/Rx - 1
- b. Dental - 3
- c. Vision - 1
- d. Life Insurance - 2 on group and one voluntary supplemental program
- e. Short-term Disability - Paid leave and 1 disability vendor, employee selects the specifics
- f. Long-term Disability - City's defined benefit plans offers disability retirement benefits, employer paid

Answer: See above and answer from Question #12

41. Question. Are the Medical/Rx plans fully-insured or self-insured?
a. Is the Rx benefit carved out (i.e. with a separate PBM) or is it with the Medical vendor?
Answer: Self-funded with third-party administrator and specific stop-loss provisions
a. Included in overall health benefit using Florida Blue PBM.

42. Question. Are the Dental plans fully-insured or self-insured?
Answer: Fully-insured

43. Question. What type of retirement plan(s) do you have in place?
Answer: General Pension, Police & Fire Pension; and 401(a) for designated employees.
Summary plan descriptions can be found at:
<http://www.cityofgainesville.org/RiskManagement/Department/EmployeeCentral/RetirementPlanning.aspx>

ACKNOWLEDGMENT: Each Proposer shall acknowledge receipt of this Addendum No. 1 by his or her signature below, and a copy of this Addendum to be returned with proposal.

CERTIFICATION BY PROPOSER

The undersigned acknowledges receipt of this Addendum No. 1 and the Proposal submitted is in accordance with information, instructions, and stipulations set forth herein.

PROPOSER: David Kopsch
BY: Mercer
DATE: November 29, 2017

CITY OF

FINANCIAL SERVICES
PROCEDURES MANUAL

41-423

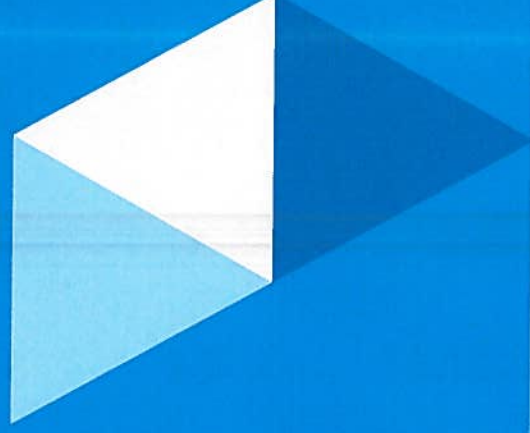
Prohibition of lobbying in procurement matters

Except as expressly set forth in Resolution 060732, Section 10, during the black out period as defined herein no person may lobby, on behalf of a competing party in a particular procurement process, City Officials or employees except the purchasing division, the purchasing designated staff contact. Violation of this provision shall result in disqualification of the party on whose behalf the lobbying occurred.

Black out period means the period between the issue date which allows for immediate submissions to the City of Gainesville Purchasing Department for an invitation for bid or the request for proposal, or qualifications, or information, or the invitation to negotiate, as applicable, and the time the City Officials and Employee awards the contract.

Lobbying means when any natural person for compensation, seeks to influence the governmental decision making, to encourage the passage, defeat, or modification of any proposal, recommendation or decision by City Officials and Employees, except as authorized by procurement documents.

ENGAGEMENT LETTER - EXAMPLE





MAKE TOMORROW, TODAY

David Kopsch
Principal

3560 Lenox Road, Suite 2400
Atlanta, GA 30326
+1 404 442 3173
www.mercer.com

City of Gainesville
200 East University Avenue, Room 339
Gainesville, Florida 32601
November 28, 2017

Subject: Engagement Letter Agreement

Dear City of Gainesville:

We are delighted to have the opportunity to work with the City of Gainesville ("you" or "Client"). The purpose of this letter of engagement ("Agreement") is to set forth the terms governing any services that have been or will be provided to you ("Services") by Mercer's operating companies, Mercer (US) Inc., Mercer Investment Consulting, Inc., Mercer System Services LLC, CP&S Partners, LLC, Mercer Health & Benefits Administration LLC and/or Mercer Health & Benefits LLC (in each case, solely with respect to Services the particular entity had provided or will provide to you ("Mercer" or "we")). Mercer and the Client may also be referred to collectively as the "Parties".

Statements of Work

Each statement of work ("SOW") must specify at a minimum: (1) our respective responsibilities with respect to any Services; (2) the information and data we will need in order to perform the Services; (3) any time constraints on the performance of the Services; and (4) the compensation we will receive for performing the Services. To the extent you have accepted any SOWs at any time prior to the execution of this Agreement, such SOWs shall be subject to the terms of this Agreement. For purposes of this Agreement, the term "Agreement" shall include any SOWs.

Terms and Conditions Governing Engagement

Our performance of the Services (whether provided pursuant to a written SOW or not) are subject to the following terms:

1. Payment Terms:

- A. We perform Services in consideration of your payment of our compensation. Our compensation for Services, such as professional fees, commissions or other amounts payable to us ("Compensation") is set forth in the applicable SOW or as otherwise agreed. In addition to our Compensation, we also bill monthly for our reasonable expenses. You are responsible for any sales, value added taxes or similar taxes related to the performance or receipt of the Services, including those taxes assessed by authorities subsequent to payment for the Services.
- B. Invoices are due and payable within thirty (30) days of the date of the invoice. If any invoice is not timely paid, we may exercise our right to claim interest for late payment as permitted by applicable law. If any invoice remains unpaid for longer than ninety (90) days from the date of the invoice, we

may either suspend the provision of the Services until payment is received, or terminate this Agreement and/or any SOW with immediate effect.

C. If we become involved (whether or not as a party) in a dispute (including audits or investigations) between you and a third party (including a governmental entity), or if we are asked to preserve records in our possession or custody relating to the Services or this Agreement, including where Mercer is requested to preserve documents, electronically stored information, back-up tapes or other media beyond its standard recycling or retention protocol, beyond the scope of Services described in the applicable SOW, these additional services will be documented in a SOW. If no SOW or other agreement is reached on these additional services, you agree to pay us at our then current standard rates for all our time spent, and will reimburse us for all reasonable time and expenses incurred by us, in connection with such dispute or such documentation preservation request. We will reimburse such payments in the event and to the extent such dispute is finally determined by a court to have resulted primarily from our negligence, conduct in bad faith or fraud.

2. Instructions; Provision of Information and Assistance:

You will provide all necessary and reasonably requested information, direction and cooperation to enable us to provide the Services, and any direction (whether verbal or written) shall be effective if contained expressly in the applicable SOW or if received (whether verbally or in writing) from a person known to us or reasonably believed by us to be authorized to act on your behalf. You agree that we shall use all information and data supplied by you or on your behalf without independently verifying the accuracy, completeness or timeliness of it. We will not be responsible for any delays or liability arising from missing, delayed, incomplete, inaccurate or outdated information and data, or if you do not provide adequate access to your employees, agents or other representatives necessary for us to perform the Services. We will be entitled to charge you in respect of any additional work carried out as a result.

3. Confidential Information; Data:

A. Each of us is likely to disclose information ("Disclosing Party") to the other ("Receiving Party") from time to time in the course of the provision of the Services, which is marked or designated as confidential or proprietary at or prior to disclosure or which would appear to a reasonably prudent person to be confidential and/or proprietary in nature ("Confidential Information"). The Receiving Party will not disclose such Confidential Information to any person other than in connection with the provision of the Services or as otherwise provided for in this Agreement. This restriction does not apply to information that (i) the Receiving Party must disclose by law or legal process, (ii) is either already in the public domain or enters the public domain through no fault of the Receiving Party, (iii) is available to the Receiving Party from a third party who, to the Receiving Party's

Each of us and our respective Affiliates (as defined below) will comply with our respective obligations arising from data protection and privacy laws in effect from time to time to the extent applicable to this Agreement and the Services. This includes, without limitation, (i) the obligation, if any, of you or your Affiliates, to obtain any required consent(s) in respect of the transfer of information to us by you or any third party relating to an identified or identifiable individual that is subject to applicable data protection, privacy or other similar laws ("Personal Information"), (ii) any obligation with respect to the creation or collection of additional Personal Information by us, and (iii) any obligation with respect to the use,

4. **Personal Information:**

- E. Notwithstanding anything to the contrary in this Agreement, but subject to the terms and conditions of Section 3, we may (i) retain copies of our work product that contain Confidential Information for archival purposes or to defend our work product and (iii) in accordance with legal, disaster recovery and records retention requirements, store such copies and derivative works in an archival format (e.g. tape backups), which may not be returned or destroyed. We may retain your information in paper or imaged format and we may destroy paper copies if we retain digital images thereof.
- D. Our respective obligations under Section 3(A) shall survive for a period of five (5) years from the date of termination of this Agreement or for such longer period as is required by law, except that any trade secrets disclosed to the Receiving Party shall be maintained in confidence in perpetuity or until such time as they are no longer reasonably considered to be trade secrets by the Disclosing Party.
- C. You hereby grant us a perpetual, non-exclusive, royalty-free license to copy, modify and use any information and data supplied by you or on your behalf so that we may create analytical trend data (in anonymous form) and in order to improve the quality of our advice to our clients. We will not disclose any information in a manner that allows particular clients or individuals to be identified. Notwithstanding the foregoing, you agree that your name may appear in a list of participating organizations for reports containing such analytical trend data.
- B. Notwithstanding Section 3(A), you agree that we will be entitled to disclose information, including Confidential Information, relating to the Services or you to regulators having jurisdiction over our business. You also agree that, notwithstanding any other provision in this Agreement, we may include the identities of those persons who are identified by you as contact persons for you and information about the terms of this Agreement, the Services and the Compensation in our internal client management, financial and conflict checking databases.
- A. Notwithstanding Section 3(A), you agree that we will be entitled to disclose information, including Confidential Information of the Disclosing Party, independently developed by or for the Receiving Party without reference to any Confidential knowledge, is not under any non-disclosure obligation to the Disclosing Party, or (iv) is information of the Disclosing Party.

or other work product provided to you by us. obligation or any modifications made by any person other than us to the Work, Intellectual Property in respect of any Loss (as defined in Section 7) incurred by us as a result of your breach of this product provided to you by us. You will indemnify, defend and hold us and our Affiliates harmless modifications made by any person other than us to the Work, Intellectual Property or other work Agreement, and you shall be responsible for, and we shall have no liability with respect to, and who are bound by confidentiality obligations at least as restrictive as those contained in this any third party, other than your attorneys, accountants or financial advisors with a need to know contemplated when we were first retained by you to perform the applicable Services, or disclose to B. Unless we provide our prior written consent, you will not use, in a manner other than as mutually internally in accordance with the terms of this Agreement.

transferrable right to use such Intellectual Property solely for purposes of utilizing the Work extent any Work incorporates any Intellectual Property, we hereby grant you a non-exclusive, non- "Intellectual Property"), and we shall not be restricted in any way with respect thereto. To the and used by us or our Affiliates or subcontractors in the course of providing the Services (the systems, software, specifications, documentation and other materials created, owned or licensed or acquired by us during or after, the performance of the Services, including without limitation, all knowledge and experience owned or possessed by us before the commencement of, or developed methodologies, methods of analysis, ideas, concepts, know-how, models, tools, techniques, skills, this Agreement, we will retain all copyright, patent and other intellectual property rights in the "Work") shall be owned exclusively by you. Notwithstanding anything to the contrary set forth in A. All materials prepared by us specifically and exclusively for you pursuant to this Agreement (the 5. **Ownership and Use of Work; Intellectual Property:**

indirectly controlling, controlled by or under common control with such Party. purposes of this Agreement, "Affiliates" means, with respect to either Party, any entity directly or Personal Information and the accidental loss or destruction of, or damage to, Personal Information. For technical and organizational measures intended to prevent the unauthorized or unlawful processing of inconsistent with the terms of this Agreement. We also confirm that we have taken appropriate instructions as may be provided from time to time in the applicable SOW or as reasonably necessary on your behalf. We shall handle such Personal Information in accordance with your reasonable Personal Information supplied by or on your behalf in connection with the Services shall be done solely expressly permitted under this Agreement. Subject to Section 3(C), any use or processing by us of disclosure and transfer by us of Personal Information as necessary to perform the Services or as

6. Dispute Resolution:

- A. Before commencing any action or proceeding with respect to any dispute between us arising out of or relating to any of our Services, the Parties shall first attempt to settle the dispute through consultation and negotiation in good faith and in a spirit of mutual cooperation. If the dispute is not resolved within five (5) business days, either of us may elect to escalate the resolution of such dispute by submitting the dispute in writing to senior executives from each of us who will promptly meet and confer in an effort to resolve the dispute. Each Party will identify such senior executive by notice to the other Party, and each Party may change its senior executive at any time thereafter by notice. Any mutually agreed decisions of the senior executives will be final and binding on both Parties. In the event the senior executives are unable to resolve any dispute within thirty (30) days after submission to them, either Party may then refer such dispute to mediation by a mutually acceptable mediator to be chosen by both Parties within forty-five (45) days after written notice by either Party demanding mediation. Neither Party may unreasonably withhold, delay or condition consent to the selection of a mediator. All communications and discussions in furtherance of this paragraph shall be treated as confidential settlement negotiations that are not subject to disclosure to any third party. The costs of the mediator shall be shared equally, but each Party shall pay its own attorney's fees.
- B. Any dispute that is not resolved within six (6) months of the date of the initial demand for mediation by one of the Parties may then be submitted to a court of competent jurisdiction in accordance with the provisions of Section 10(d). Nothing in this Section 6 will prevent either of us from resorting to judicial proceedings at any time if interim equitable relief from a court is necessary to prevent serious and irreparable injury or damage to that Party.
- C. ANY CLAIM, ACTION OR PROCEEDING IN ANY FORUM AGAINST A PARTY OR ANY OF ITS AFFILIATES WILL BE BARRED UNLESS THE OTHER PARTY INITIATES THE DISPUTE RESOLUTION PROCEDURES SET FORTH IN THIS SECTION 6 WITHIN ONE YEAR OF THE DATE UPON WHICH THAT PARTY (i) FIRST DISCOVERED, OR (ii) UPON THE EXERCISE OF REASONABLE DILIGENCE COULD HAVE DISCOVERED THE ACT, ERROR OR OMISSION THAT IS THE BASIS FOR SUCH CLAIM, WHICHEVER DATE IS SOONER.

7. Limitation of Liability:

- A. The aggregate liability of Mercer, our Affiliates and any officer, director or employee of ours and those of our Affiliates ("Mercer Parties") to you, your Affiliates, your officers, directors or employees or sponsor) for any and all Losses arising out of or relating to the provision of any Services at any time by any of the Mercer Parties shall not exceed the greater of one times the Compensation for the Services giving rise to such Loss and \$XXX,XXX. Mercer shall have no liability for the acts or omissions of any third party (other than our subcontractors).

B. In no event shall either Party or its Affiliates be liable in connection with this Agreement or the Services to the other Party, its Affiliates or any third party for any loss of profit or incidental, consequential, special, indirect, punitive or similar damages. The provisions of this Section 7 shall apply to the fullest extent permitted by law. Nothing in this Section 7 limiting the liability of a Party shall apply to any liability that has been finally determined by a court to have been caused by the fraud of such Party.

C. For purposes of this Agreement "Loss" means damages, claims, liabilities, losses, awards, judgments, penalties, third party claims, interest, costs and expenses, including reasonable attorneys' fees, whether arising under any legal theory including, but not limited to claims sounding in tort (such as for negligence, misrepresentation or otherwise), contract (whether express or implied), by statute, or otherwise, claims seeking any kind of damages and claims seeking to apply any standard of liability such as negligence, statutory violation or otherwise. For the avoidance of doubt, multiple claims arising out of or based upon the same act, error or omission, or series of continuous, unrelated or repeated acts, errors or omissions shall be considered a single Loss.

D. Each of the Parties acknowledges that the Compensation for the Services to be provided under this Agreement and the applicable SOW reflects the allocation of risk set forth in this Section 7.

8. Unforeseen Events:

Neither Party shall be liable for delays or failures in performance of obligations under this Agreement, other than failure to make payments hereunder when due, resulting from events beyond its reasonable control, including without limitation "acts of God," fire, flood, riots, new laws which prevent the carrying out of the Services, the results of terrorist activity, failures of third party suppliers, and electronic and other power failures.

9. Duration and Termination of this Agreement:

This Agreement will continue until terminated as provided in this Section, except as provided otherwise in a SOW. This Agreement and any SOW may be terminated (i) by either Party upon ninety (90) days' prior written notice to the other Party, (ii) by either Party upon material breach by the other Party, which breach is not cured within thirty (30) days after receipt of written notice thereof, or (iii) immediately by us for non-payment of invoices by you as provided under Section 1. After the termination of this Agreement, Sections 3, 4, 5, 6, 7, 9 and 10 will survive in full force and effect. Any termination of this Agreement shall not relieve you or your Affiliates of their obligations to pay for Services rendered and expenses incurred by us or our Affiliates up to and including the effective date of such termination, and such termination may require you to pay termination fees to the extent provided in a SOW. Notwithstanding the foregoing, to the extent that the Parties agree that Mercer shall continue to provide Services after the effective date of termination of this Agreement or any SOW, the terms and

10. **Additional Terms:**
- A. **Terms Incorporated by Reference; Excluded Services** - The provision of Services (whether or not under any SOW) shall be considered to be provided under and subject to the terms of this Agreement and the terms set forth in any SOW shall be deemed incorporated by reference into this Agreement for purposes of that SOW.
- For purposes of this Agreement, the term Excluded Services means outsourcing and/or benefit administration services; investment management services; advice or counsel relating to executive remuneration services to the compensation committee of the Board of Directors; mergers and acquisitions related services (unless otherwise set forth in a SOW attached to this Agreement); services related to the use, support or development of our proprietary software, databases, information systems or other intellectual property; advice and counsel to trustees of Client Group-sponsored pension schemes or plans in countries outside the United States where it is necessary to contract directly with the trustees or pension boards or other similar persons or entities to avoid conflicts of interest or as required by law. The Parties understand and agree that Excluded Services are provided under separate agreements that are specific to those particular services. Mercer is unable to provide insurance broking, risk consulting, claims or other services or provide any benefit to the extent that the provision of such services or benefit would violate applicable law or expose Mercer or its Affiliates to any sanction, prohibition or restriction under UN Security Council Resolutions or under other trade or economic sanctions, laws or regulations.
- B. **Notices** - Any notice that is to be given by one Party to the other under this Agreement will be given in writing and delivered to, David Kopsch, Mercer, 3560 Lenox Road, Suite 2400, Atlanta, GA 30326, with a copy to the Legal Department, Mercer, 1166 Avenue of the Americas, New York, New York 10036 if to Mercer or City of Gainesville, 200 East University Avenue, Room 339, Gainesville, Florida 32601 if to Client, or any other address specified by notice subsequently by one Party to the other. A notice will be effective upon receipt.
- C. **No Third Party Beneficiaries** - Neither this Agreement nor the provision of the Services is intended to confer any right or benefit on any third party, other than the Affiliates of each Party that execute a SOW, and, in such event, solely as set forth in such SOW and this Agreement. The provision of Services under this Agreement cannot reasonably be relied upon by any third party.
- D. **No Publicity** - You agree not to refer to us or attribute any information to us in the press (including for the purposes of advertising or promotion, or for the purpose of informing or influencing any other party, including the investment community), without our prior written consent. We agree not to refer to you in the press or for promotional purposes without your prior written consent, provided that we may include your name in our representative client listing and as provided in Section 3(C).

conditions of this Agreement and the applicable SOW shall survive until such Services are completed or the Parties agree that the Services shall no longer be provided.

I. Amendment, Assignment, Subcontracting - Except with respect to a change in address for notices, this Agreement shall not be amended except by a written document executed by both of us. In the event of any inconsistency between the terms of a SOW and those in the Agreement, the provisions contained in this Agreement shall prevail unless the SOW specifically amends a term contained herein. Neither of us may assign this Agreement without the prior written consent of the other, except that we may assign this Agreement to an Affiliate with reasonable prior written notice to you. We may subcontract with third parties with your prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed. When providing Services to Client, Mercer may use its Affiliates, from time to time, to assist in the performance of such Services.

H. Entire Agreement - This Agreement is the complete, entire and fully integrated agreement between the Parties except with respect to the Excluded Services. This Agreement (including any SOW and any schedules or exhibits attached herunder) supersedes, revokes, cancels, extinguishes and replaces all prior or contemporaneous understandings, agreements, undertakings, negotiations and discussions, whether oral or written, between the Parties except with respect to the Excluded Services. The Parties agree that, except for the obligations under this Agreement, they have no obligations to one another and have not relied upon any promises, representations, warranties, agreements, covenants or undertakings, other than those expressly set forth in this Agreement. Because the Parties are of equal commercial sophistication in negotiating contracts and have negotiated this Agreement at arms length, it shall not be construed for or against any Party. Each Party is entering into this Agreement voluntarily, has read and understands all provisions of this Agreement and has had the opportunity to seek and obtain the advice of counsel on its rights and responsibilities under, and the terms and conditions of, this Agreement.

G. Warranties of Mercer - Except as expressly set forth in this Agreement, we expressly disclaim any warranty, express or implied, including but not limited to any implied warranty of merchantability and fitness for a particular purpose.

F. WAIVER OF JURY TRIAL - EACH PARTY, ON BEHALF OF ITSELF AND ITS AFFILIATES, TO INTENTIONALLY WAIVES ITS RIGHT TO A TRIAL BY JURY IN ANY ACTION OR OTHER LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY SERVICES PROVIDED BY MERCER OR ITS AFFILIATES. THE WAIVER APPLIES TO ANY ACTION OR LEGAL PROCEEDING, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE. EACH PARTY AGREES NOT TO INCLUDE ANY EMPLOYEE, OFFICER, OR DIRECTOR OF THE OTHER AS A PARTY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM RELATING TO SUCH DISPUTE.

E. Waiver - The failure by either Party to insist upon strict performance of any provision of this Agreement shall in no way constitute a waiver of rights under this Agreement, at law or in equity.

- J. **Governing Law and Jurisdiction** - Any and all actions or proceedings arising out of, or relating to this Agreement, any Services provided up to this date or any and all SOWs will be governed by, and interpreted in accordance with, the law of the State of New York and will be subject to the exclusive jurisdiction of the courts located in the State of New York. Each Party agrees that service of process in any such action or proceeding may be properly made by first class mail in accordance with the notice provisions in Section 10(B) above.
- K. **Severability** – It is the intent of the Parties that the provisions of this Agreement shall be enforced to the fullest extent permitted by applicable law. To the extent that the terms set forth in this Agreement or any word, phrase, clause or sentence is found to be illegal or unenforceable for any reason, such word, phrase, clause or sentence shall be modified, deleted or interpreted in such a manner so as to afford the Party for whose benefit it was intended the fullest benefit commensurate with making this Agreement as modified, enforceable and the balance of this Agreement shall not be affected thereby, the balance being construed as severable and independent.
- L. **Advice on Legal Matters** - Mercer is not a law firm. The Services provided hereunder, which may include commenting on legal issues or drafting documents, are not intended to be a legal opinion, nor are they intended to create an attorney-client relationship or attorney-client privilege. Accordingly, we recommend that you secure the advice of legal counsel with respect to any legal matters related to the Services or otherwise.
- M. **Counterparts** - This Agreement may be executed and delivered (including by facsimile or a scanned PDF version) in one or more counterparts, each of which when executed shall be deemed an original, but all of which taken together shall constitute one and the same agreement.
- N. **Authority** – The Parties hereby represent and warrant that their respective signatories below have full legal authority to enter into this Agreement and each of its terms on their behalf.
- If you have any questions about these terms and conditions, please do not hesitate to call me. If not, please indicate your agreement to the terms of this Agreement by signing the enclosed copy of this Agreement and SOW, if applicable, and returning it to us.

Mercer (US) Inc.
Mercer Investment Consulting, Inc.
Mercer System Services LLC
CPSG Partners, LLC
Mercer Health & Benefits Administration LLC
Mercer Health & Benefits LLC

In each case, solely in connection with the Services it provides pursuant to a SOW

Mercer (US) Inc.
By: 

Name: David Kopsch
(Please Print)
Date: November 28, 2017

Title: Principal

ACCEPTED AND AGREED
City of Gainesville

By: _____

Name: _____
(Please Print)
Date: _____

Title: _____



MAKE TOMORROW, TODAY