



COUNCIL REPORT

DATE: November 7, 2023
CATEGORY: Consent
DEPT.: Human Resources
TITLE: **Amend Professional Services Agreement for Compensation Study and Ongoing Support Services**

RECOMMENDATION

Authorize the City Manager or designee to execute an amendment to a professional services agreement with Gallagher Benefit Services for compensation study and ongoing support services for a cumulative total not-to-exceed amount of \$125,000.

BACKGROUND

The Human Resources Department (HR) provides classification and compensation analysis and review services to all departments in the City in compliance with City rules and regulations as well as State and Federal laws. In October 2023, HR entered into an agreement with Gallagher Benefit Services in the amount of \$24,060 for compensation study services for Council appointees and ongoing compensation support services. The City has a need for additional services for which Gallagher Benefit Services is uniquely qualified to provide. The addition of these services will necessitate an amendment to the existing agreement to increase the cumulative total of the agreement to an amount not to exceed \$125,000.

ANALYSIS

In preparation for labor negotiations with all bargaining units in spring 2024, the City intends to seek additional consultant support for total compensation studies for all bargaining units. The services provided will include obtaining classification benchmark data from comparator agencies, conducting an analysis, and presenting the data to HR staff.

Koff & Associates, a division of Gallagher Benefit Services, has over 39 years of experience working with other public agencies, including over 150 northern California cities. The consultant is familiar with public sector organizational structures, operational and budgetary requirements, staffing expectations, and union environments. The consultant has previously provided compensation study services to the City and is familiar with the City's compensation and benefit structure as well as deliverable requirements.

The addition of these services will necessitate an amendment in the amount of \$87,875 with Gallagher Benefit Services. Allocating \$13,065 for potential additional services, in addition to the initial contract amount of \$24,060, results in a cumulative total agreement not to exceed \$125,000.

FISCAL IMPACT

Funding for these services is included in the Fiscal Year 2023-24 Human Resources department budget.

ALTERNATIVES

1. Do not authorize the City Manager or designee to enter into the amended agreement with Gallagher Benefit Services to conduct compensation study services for all bargaining units.
2. Direct staff to seek the availability of alternative consultant services or to conduct the classification studies internally and deprioritize other HR initiatives.
3. Provide other direction to staff.

PUBLIC NOTICING—Agenda posting.

Prepared by:

Karin E. Davalos
Senior Human Resources Analyst

Lindsey Bishop
Human Resources Manager

Approved by:

Sue C. Rush
Human Resources Director

Arn Andrews
Assistant City Manager

Audrey Seymour Ramberg
Assistant City Manager

KD-LB/4/CAM
033-11-07-23CR
203432