

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: DOMINIQUE BLANQUIE, INTERIM HUMAN RESOURCES
DIRECTOR
HUMAN RESOURCES DEPARTMENT
SUBJECT: PROFESSIONAL SERVICES AGREEMENT WITH KOFF &
ASSOCIATES, A DIVISION OF GALLAGHER BENEFIT
SERVICES, INC. FOR A CITYWIDE CLASSIFICATION AND
COMPENSATION STUDY AND AN INCREASE IN
APPROPRIATIONS IN THE HUMAN RESOURCES FY 2022-23
BUDGET BY \$450,000

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Human Resources Department, that the Council, by resolution, 1) approve a Professional Services Agreement with Koff & Associates, a division of Gallagher Benefit Services, Inc., a Delaware corporation, to conduct a comprehensive City-wide classification and compensation study in an amount not to exceed \$450,000, and 2) amend the FY 2022-23 Human Resources budget by increasing appropriations in the amount of \$450,000, with the source of funds being the General Fund unassigned reserves.

EXECUTIVE SUMMARY

The Human Resources Department conducted an RFP and selected Koff & Associates, a division of Gallagher Benefit Services, Inc. with offices in Berkeley, California, to conduct a comprehensive City-wide Classification and Compensation Study of its non-safety, miscellaneous employee units.

Koff & Associates, a division of Gallagher Benefit Services, Inc., is an experienced Human Resources and Recruitment Services firm providing human resources services to cities, counties, special districts, courts, educational institutions, and other public agencies for 38 years. The firm has achieved a reputation for working successfully with management, employees, and governing bodies.

BACKGROUND

The City issued a Request for Proposal (RFP) to 14 consultants and received one proposal from K&A at the initial RFP due date, November 2, 2022. The City reopened

the solicitation for an additional two weeks. At the close of the extended RFP deadline, the City had received three proposals, the original K&A proposal and two additional proposals from CPSHR and Baker Tilly. The City received presentations from all three proposers and worked with the Labor Management Committee within the City to select K&A for award. The City issued a notice of intent to award to K&A on December 20, 2022.

The goal of this City-wide Classification and Compensation Services is to address changes in City operations and staffing over the last several years which may have affected the type, scope, and level of work being performed. In addition, recent social, environmental, and economic challenges have affected the City's ability to thoroughly address compensation inconsistencies between and among classes and the City desires to ensure a compensation philosophy that supports recruitment and retention efforts and aligns with the labor market.

K&A is familiar with the various public sector organizational structures, agency missions, operational and budgetary requirements, and staffing expectations. K&A have extensive experience working in both union and non-union environments (including service as the management representative in meet & confer and negotiation meetings), working with City Councils, County Commissions, Boards of Directors, Boards of Supervisors, Boards of Trustees, Merit Boards, and Joint Power Authorities. The firm's areas of focus are classification and compensation studies (approximately 70% of workload).

PRIOR CITY COUNCIL REVIEW

None.

ANALYSIS

The study will be completed in two phases:

- Phase 1 – Classification Study
- Phase 2 – Compensation Study.

K&A will assist the City with developing a list of comparator entities, identifying benchmarks and related differentials, developing a communications plan for stakeholders throughout the study, conducting meetings with employee representative groups, preparing reports, and making presentations to the City Council. Contractual obligations further provide that the City and the Unions collaboratively review consultant recommendations related to the selection of comparator agencies, the compensation philosophy and the data points which make up the classification and compensation, total compensation survey data.

Miscellaneous Employee Representation organizations and Employee Units	Approx. Number of Employees	Approx. # of Classifications
Unit 3- Operating Engineers Local 3 (Maintenance)	100	11
Units 4, 6, and 7- Teamsters Local 856 (Support Services, Professional, and Technical)	415	118
Unit 8- SEIU Local 1021 (Transit)	60	2
Unit 10 Unrepresented (Executive Management Group)	16	16
Unit 11 Unrepresented (Mid-Management Group)	17	10
Unit 12 Unrepresented (Confidential Group)	14	8
Unit 13- Operating Engineers Local 3 (Mechanics)	18	4
Unit 14- SEIU Local 1021 (Police Civilian Technical Unit)	53	6
Unit 16- Operating Engineers Local 3 (Utilities Systems Operators)	59	4
Unit 17- Santa Rosa Attorneys Association (Teamsters Local 856)	7	1
Unit 18- Santa Rosa Management Association (Mid-Management)	135	80

K&A has already initiated work with City staff, consistent with its proposal, for the classification and compensation study. As such, the proposed agreement would be effective dating back to the date K&A began performing services under the agreement through May 31, 2024, when K&A is set to finish performance of its services.

FISCAL IMPACT

Funds for this contract are not included in the Human Resources budget for FY 2022-23, as it was unknown what the cost of the services would be during the normal budget process. As a result, it is necessary to amend the FY 2022-23 budget by increasing appropriations in 040101 by \$450,000 from the General Fund unassigned reserves.

ENVIRONMENTAL IMPACT

This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guideline section 15378." If there is a corresponding document, include it as an attachment.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not Applicable.

NOTIFICATION

Not applicable.

PROFESSIONAL SERVICES AGREEMENT WITH KOFF & ASSOCIATES, A
DIVISION OF GALLAGHER BENEFIT SERVICES, INC.

Page 4 OF 4

ATTACHMENTS

- Resolution
- Exhibit A – Professional Services Agreement with Koff & Associates, a Division of Gallagher Benefit Services, Inc.

PRESENTER

Dominique Blanquie, Interim Human Resources Director