



COUNCIL AGENDA REPORT

DATE: NOVEMBER 1, 2016

TO: CITY COUNCIL

FROM: JENNIFER CALLAWAY, ADMINISTRATIVE SERVICES DIRECTOR

SUBJECT: AUTHORIZE THE CITY ADMINISTRATOR TO EXECUTE AN AGREEMENT FOR PROFESSIONAL SERVICES TO CONDUCT A CITYWIDE COMPREHENSIVE COMPENSATION AND CLASSIFICATION STUDY AND AUTHORIZE A BUDGET ADJUSTMENT OF \$38,800 FROM GENERAL FUND RESERVES TO FUND THIS AGREEMENT

RECOMMENDATION:

Authorize the City Administrator to execute an agreement for Professional Services with Koff and Associates to complete a Citywide Comprehensive Compensation and Classification Study and authorize a budget adjustment of \$38,800 from general fund reserves to fund this agreement.

BACKGROUND:

During labor negotiations in early 2015 the City agreed to complete a Compensation and Classification study for the Sonora Firefighters Association (SFFA), Sonora Employees' Association (SEA), and Sonora Management Employees' Association (SMEA). In response to this, City staff determined that an outside consultant would be needed to complete the study and decided to issue a Request for Proposal (RFP) for professional consultant services. While not a benefactor to the study, City staff decided to include the Sonora Police Officer Association classifications into the study to have information available for future use.

Staff developed an RFP and distributed to thirteen vendors who specialize in completing human resource/organizational analysis and compensation and classification studies as well as posted the RFP on the City's webpage. The RFP was issued on September 12, 2016 with a deadline for submittal of proposals on October 7, 2016. Staff received thirteen questions in response to the RFP and provided answers in Addendum I to the RFP. Two proposals were received in response to the RFP from Koff and Associates and CPS HR Consulting. Copies of the RFP, Addendum to

the RFP, and both proposals were provided to the Personnel Committee for review during their scheduled meeting on November 1, 2016.

DISCUSSION:

The RFP requested qualified firms and individuals to submit proposals for professional consulting services to conduct citywide classification and compensation study. The RFP stipulated that the respondents work in collaboration with the City's associations and Administration to select no more than 10 comparable public sector agencies to agree upon by all parties prior to the initiation of the compensation study. The RFP consists of two parts, a Classification Plan and Compensation Plan.

Classification Plan –

The RFP stipulated that the City would like to review the existing classifications, organizational charts, budgets, salary resolutions and schedules, personnel rules and other related materials to assist with the classification review. The Consultant will conduct orientation and briefing sessions with employees, department heads and supervisors as well as develop a comprehensive questionnaire to be completed by all employees. The Consultant will also be conducting employee interviews to validate questionnaire information.

The result of this classification plan will be that each employee will be allocated to an appropriate job title, job classification and exempt and non-exempt designation pursuant to the Fair Labor Standards Act (FLSA). In addition, new classification specifications will be developed, where necessary, to uniformly reflect distinguishing characteristics, current and essential job duties, minimum qualifications and requirements of the position, including physical requirements and working conditions, licensing and other regulatory requirements.

Compensation Plan –

The second phase of the study will be for the consultant to complete a comprehensive total compensation study using comparable agencies, agreed upon by the City and City Associations, using not only job title, but duties and responsibilities based upon the classification specifications from the City. To accomplish this phase the Consultant will complete an internal base salary relationship analysis and develop appropriate internal relationship guidelines. A written report of the findings and recommendations will be prepared to include discussion of methods, techniques and data used to develop the Classification and Compensation Plan.

Evaluation and Selection Process -

A Classification and Compensation Committee was formed consisting of a representative from each of the four associations, SFFA, SMEA, SEA and the Sonora Police Officers' Association (SPOA) to evaluate the two proposals that were submitted. The proposals were evaluated based on completeness, firm experience, cost and approach to work.

Both proposals submitted in response to the RFP were responsive to City's request and included all elements of the City's defined scope of work. The key differences in the proposal were cost and data collection and analysis.

Koff and Associates proposal was priced at \$38,880 with work completed with 20 weeks, including implementation and appeals support. Conversely, CPS HR Consulting proposed work spanned 16 weeks totaling \$44,907.50 with an implementation plan.

Data collection techniques also varied among the two proposers, with Koff and Associates indicating that they conduct all of their data collection and analysis from the comparable agencies website, by telephone or by an onsite interview. CPS HR Consulting relies first on a survey instrument and validate results.

During review and evaluation of the proposals each member of the Compensation and Classification Committee ranked Koff and Associates as their preferred vendor. The Committee members generally preferred the quality, thoroughness, cohesiveness and applicability of the proposed work plan provided by Koff and Associates, as well as the quality of the proposed data collection. Combined with being the lower cost proposal, the Committee recommended entering into an agreement with Koff and Associates to conduct the City's Comprehensive Compensation and Classification Study.

Following the Committee's recommendation, staff began the process of reference checking for Koff and Associates. City staff spoke to seven references, including Tuolumne County. Generally, the representatives all indicated that Koff and Associates was responsive, worked well with the staff and associations, were thorough and easy to work with, completing their work within budget and on time. In addition, several cities specifically mentioned that Koff was very flexible, adjusting project scope as the City needed, and provided very good implementation support and working with staff directly to explain results of the study and their analysis. The recommendation to proceed with contract negotiations and request for authorization from the City Council was presented to the Personnel Committee on November 1, 2016. At that time the Personnel Committee accepted staff's recommendation to seek City Council authorization to execute an agreement for professional services with Koff and Associates to complete a comprehensive citywide Compensation and Classification study.

Koff and Associates was founded in 1984 and has been performing consulting services for government agencies for 32 years. The firm's areas of focus are classification and compensation studies (70% of workload), organizational development/assessment studies; performance management and incentive compensation programs; development of strategic management tools; policy/procedure development and employee handbooks, etc.

The Associations are pleased that the City is honoring their commitment to complete the studies and looking forward to working through this process to obtain current and comprehensive information.

Fiscal Impact

While the City did agree to conduct the compensation and classification study, cost to complete the study was unknown during the development of the proposed FY 2016/17 operating budget and therefore not included within the budget. It is staff's recommendation to allocate General Fund Reserves in an amount not to exceed \$38,880, to fund this study.