

CITY OF COACHELLA

Office of the Finance Director

MEMORANDUM

DATE:	June 24, 2026
TO:	City Clerk, City of Coachella
FROM:	Lincoln Bogard, Finance Director
SUBJECT:	Sole Source Justification — Professional Services Agreement with Civic Calling Corporation DBA Holly for Classification, Compensation, and Labor Relations Platform Services

I. PURPOSE

This memorandum provides a formal sole source justification for the City of Coachella's procurement of classification, compensation, and labor relations platform services from Civic Calling Corporation DBA Holly ("Holly"), pursuant to the City's purchasing policies governing sole source acquisitions. This memorandum is submitted for filing with the City Clerk and is incorporated by reference into the Staff Report presented to the City Council at the June 24, 2026 Regular Meeting.

II. DESCRIPTION OF PROCUREMENT

The Finance Department and Human Resources function seek authorization to ratify the Professional Services Agreement executed May 13, 2026, between the City of Coachella and Civic Calling Corporation DBA Holly, and to authorize the City Manager to exercise up to three (3) additional one-year renewal options. The agreement provides access to two integrated platform modules at a combined annual fee of \$25,000, with onboarding waived. The maximum four-year contract value is \$104,591, subject to a 3% annual CPI escalator cap and annual appropriation.

The Holly platform delivers the following capabilities:

- AI-powered classification matching and salary benchmarking against unlimited comparator agencies using a database of 45,000+ public sector roles;
- Automated job specification drafting, redlining, and review-and-approval workflow;
- Citywide classification and compensation study support, including internal similarity scoring to identify overlaps and consolidation opportunities;
- Exportable benchmarking reports in Word, Excel, and PDF formats suitable for Council presentations and labor relations proceedings;
- AB 339 meet and confer compliance support — ChatMOU analytics ingests the City's MOUs and professional services agreements to identify which engagements trigger meet and confer requirements and generates citation-backed compliance reports; and

- Collective bargaining scenario modeling, including COLA impact analysis, counter-proposal generation, fund balance projections, and peer MOU intelligence for preparation for 2027 MOU negotiations.

Implementation is structured as a 4–6 week onboarding period following contract execution, with quarterly comparator data refresh aligned to the City’s budget and bargaining cycles. The platform provides unlimited user seats and city-wide access.

III. SOLE SOURCE JUSTIFICATION

Category of Sole Source: Proprietary / Unique Capability — No Commercially Available Equivalent.

Civic Calling Corporation DBA Holly is the exclusive developer and licensor of the Holly Job Design Platform. The platform represents a proprietary, integrated software solution that combines AI-powered classification and compensation benchmarking, MOU analytics and collective bargaining scenario modeling, and AB 339 meet and confer compliance support in a single, cloud-hosted system designed specifically for California local government agencies. This combination of capabilities is not available through any other single commercial product in the government technology marketplace known to staff.

Holly is purpose-built around the operational workflows, compliance requirements, and reporting obligations of local government human resources and finance departments in California. Its AI similarity scoring is trained on California public sector roles. Its AB 339 compliance module is specifically designed for California’s meet and confer statutory framework. This public-sector-first design philosophy is fundamental to the product’s architecture and distinguishes it from general-purpose HR platforms or compensation tools that would require substantial customization to approximate equivalent functionality in a governmental context.

IV. MARKET REVIEW

Prior to recommending this procurement, the Finance Director conducted an informal market review of available software solutions and professional service options for classification and compensation, labor relations, and AB 339 compliance support in the local government sector. The review examined traditional consulting services, government-specific HR platforms, and general-purpose enterprise tools. Key findings are summarized below.

Traditional Classification and Compensation Consulting. Firms offering citywide class and comp studies (such as Koff & Associates, Gallagher Benefit Services, and Ralph Andersen & Associates) provide one-time consulting engagements at \$50,000 to \$150,000 or more per study, with no ongoing platform access, no ad-hoc benchmarking capability between engagements, and no labor relations or compliance functionality. The City would require a new study every three to five years at comparable cost. Holly provides continuous, on-demand benchmarking and specification support for \$12,500 per year (Module 1 alone), less than one-quarter the cost of a single traditional study.

MOU Analytics and Collective Bargaining Preparation Services. No standalone commercial software platform available to California municipalities provides MOU analytics and collective bargaining scenario modeling comparable to Holly’s Labor Relations Module. HR consulting firms offering labor negotiation support typically charge \$150 to \$300 per hour for equivalent analytical services, with a full negotiation cycle commonly costing \$30,000 to \$80,000 or more per agreement. Holly’s labor relations module — included in the flat \$12,500 annual fee — provides equivalent scenario modeling, peer MOU benchmarking, and fiscal analysis without per-engagement cost.

AB 339 Meet and Confer Compliance. Assembly Bill 339 (effective 2022) requires California municipalities to notify union stakeholders and conduct meet and confer before executing certain RFPs and professional services agreements affecting represented classifications. No dedicated commercial software tool exists specifically for AB 339 compliance support. Agencies typically rely on city attorney billable review at \$150–\$300 per hour or manual internal processes. Holly’s ChatMOU analytics module provides automated identification of affected engagements and citation-backed compliance reports suitable for union representative and legal review — a capability not available from any standalone software platform.

Based on the foregoing review, staff concludes that no competitive solicitation would be reasonably expected to yield a single-platform product providing substantially equivalent integrated functionality, and that issuance of a Request for Proposals would not produce meaningful competition for this specific combination of services.

V. COST REASONABLENESS

The Finance Director has determined that the proposed contract pricing is fair and reasonable based on the following considerations:

Contract Year	Annual Fee	Cumulative Cost	Notes
Year 1 (executed)	\$25,000	\$25,000	Both modules; onboarding waived; initial term May 13, 2026–Apr 30, 2027
Year 2 (option)	\$25,750	\$50,750	3% annual CPI increase; subject to Council appropriation
Year 3 (option)	\$26,523	\$77,273	3% annual CPI increase; subject to Council appropriation
Year 4 (option)	\$27,318	\$104,591	3% annual CPI increase; subject to Council appropriation
Total (4 years)		\$104,591	Maximum not-to-exceed; actual cost subject to options exercised and annual appropriation

The Year 1 combined fee of \$25,000 was negotiated at contract execution, reflecting the City's position as an early Coachella Valley agency deployment. Annual increases for renewal years are capped at 3%, consistent with standard inflation adjustments common in government software subscription agreements. The Finance Director has reviewed the pricing and finds it reasonable in relation to the scope, complexity, and market context of the services to be provided.

VI. CERTIFICATION

I, Lincoln Bogard, Finance Director for the City of Coachella, hereby certify that:

- The Holly Job Design Platform, as described above, is available only from Civic Calling Corporation DBA Holly, and no other vendor is known to offer a commercially available product providing substantially equivalent integrated capabilities in the local government market;
- A competitive solicitation process would not be expected to produce meaningful competition for this scope of services;
- The proposed pricing has been reviewed and determined to be fair and reasonable; and
- This procurement is in the best interest of the City of Coachella.

Lincoln Bogard, Finance Director

City of Coachella

Date: _____

This memorandum is on file with the City Clerk and incorporated by reference into the Staff Report for the June 24, 2026 Regular City Council Meeting, Agenda Item: Ratification of Professional Services Agreement with Civic Calling Corporation DBA Holly and Authorization of Multi-Year Renewal Options.