



STAFF REPORT
March 27, 2024

TO: Honorable Mayor and City Council Members

FROM: Castulo R. Estrada, Utilities Manager

SUBJECT: Authorize the City Manager to Execute a Professional Services Agreement with Gallagher Benefit Services, Inc. in the Amount of \$36,600 to conduct a Utility Operations Salary Study.

STAFF RECOMMENDATION:

Staff recommends that Council authorize the City Manager to enter into a Professional Services Agreement with Gallagher Benefit Services, Inc. in the amount of \$36,600 to conduct a Utility Operations Salary Study.

BACKGROUND:

The City agreed to conduct a Manpower Study and Salary Study for the Water and Sanitary Utility Operations as part of the 2021-2023 Memorandum of Understandings with the Sanitary and Miscellaneous Employees and Confidential Mid-Management Employees bargaining units. The Manpower Study was to be completed first, followed by the Salary Study.

The City published a Request for Proposal for the Manpower Study on July 6, 2022 and received one proposal from Raftelis. On September 14, 2022, Council approved Resolution No. 2022-84 authorizing Raftelis to conduct the Manpower Study. Raftelis presented the completed Manpower Study to Council on September 13, 2023.

On November 8, 2023, the City published a Request for Proposal for the Salary Study and received responses from Baker Tilly, CPS HR Consulting, Gallagher Benefit Services, Inc., JER HR Group, and unComplicate HR Inc. Staff reviewed the five proposals and scored them based on the following categories identified in the Request for Proposal: Understanding of Work to be Performed, Demonstrated quality of firm, Familiarity with City, County and State Procedures, References, Completeness of the Proposal, and Cost. Based upon this review, staff is recommending that Council award the project to Gallagher.

DISCUSSION/ANALYSIS:

Gallagher Benefit Services, Inc., formerly known as Koff & Associates, is an experienced public-sector human resources and recruitment services firm providing human resources services to cities, counties, special districts, courts, educational institutions, and other public agencies for over 40 years. The City has utilized their services in the past for compensation and classification studies.

Per the Memorandum of Understandings, upon completion of the Salary Study, the City will then meet and confer with the unions regarding implementation of and position and/or salary recommendations based on both studies. The results of the Salary Study would be incorporated into the next City-wide salary study without update, provided a City-wide study is conducted within two years of the report date of the Salary Study.

ALTERNATIVES:

1. Authorize the City Manager to enter into a Professional Services Agreement with Gallagher Benefit Services, Inc. in the amount of \$36,600 to conduct a Utility Operations Salary Study.
2. Do not authorize this request.

FISCAL IMPACT:

Funds would be appropriated from the FY 24/25 budget and be paid from Water (50%) and Sanitary (50%).

Attachments:

Professional Services Agreement
Gallagher Benefit Services, Inc. Proposal