



Legislation Details (With Text)

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On agenda:	5/20/2019	Final action:	5/20/2019		
Title:	SUBJECT: Award of Proposal and Approval of Agreement for Professional Services to Koff & Associates for Conducting a Citywide Employee Total Compensation Study for the Not to Exceed Amount of \$75,040				
	REPORT IN BRIEF Considers awarding a contract and approving a professional services agreement with the consulting firm Koff & Associates to conduct a citywide employee total compensation study for the not to exceed amount of \$75,040.				
	RECOMMENDATION City Council - Adopt a motion awarding a contract for professional services to include a citywide compensation study to Koff & Associates in an amount not to exceed \$75,040 and authorizing the City Manager or the Assistant City Manager to execute the Agreement for Professional Services.				

Sponsors:

Indexes:

Code sections:

Attachments: 1. Request for Proposal, 2. Koff & Associates Proposal, 3. Professional Services Agreement

Date	Ver.	Action By	Action	Result
5/20/2019	1	City Council/Public Finance and Economic Development Authority/Parking Authority	approved	Pass

Report Prepared by: Deneen Proctor, Director of Support Services

SUBJECT: Award of Proposal and Approval of Agreement for Professional Services to Koff & Associates for Conducting a Citywide Employee Total Compensation Study for the Not to Exceed Amount of \$75,040

REPORT IN BRIEF

Considers awarding a contract and approving a professional services agreement with the consulting firm Koff & Associates to conduct a citywide employee total compensation study for the not to exceed amount of \$75,040.

RECOMMENDATION

City Council - Adopt a motion awarding a contract for professional services to include a citywide compensation study to Koff & Associates in an amount not to exceed \$75,040 and authorizing the City Manager or the Assistant City Manager to execute the Agreement for Professional Services.

ALTERNATIVES

1. Approve as recommended; or
2. Deny; or
3. Refer to staff for further study; or
4. Take no action.

AUTHORITY

Article XI, Section 1111 of the Merced City Charter, Fiscal Administration. Memoranda of Understanding and Labor Agreements with recognized labor units within the City Organization.

CITY COUNCIL PRIORITIES

As provided in the 2018-2019 adopted budget.

DISCUSSION

The City last conducted a formal compensation study in 2006. A study of the current labor market will provide new information to determine whether the City's pay structure is appropriate or may need adjustment. A review of comparable agencies will attempt to analyze the City's compensation for positions and compare them with that of the current marketplace.

In order to manage the process fairly throughout the organization, the Support Services Department is undertaking a citywide total compensation study. With approximately 160 classifications, it was determined to hire a professional firm to perform the study. One year ago, a Request for Proposal (RFP) was prepared seeking proposals from qualified organizations to serve in the capacity of consultant for the City of Merced. The RFP was sent to the 10 bidders listed below and advertised on the City's website. A summary of the Compensation Study proposal is attached hereto as Attachment 1. The results of the RFP are set forth below:

Bidder:

- Cooperative Personnel Services (CPS)
- Public Sector
- Diversified Management Group
- Bryce Consulting
- Arthur J. Gallagher Co.
- Renne Sloan Holtzman and Sakai
- Ralph Anderson
- Ewing Consulting
- Koff & Associates
- Wendi Brown Creative Partners
- Segal Waters Consulting (website)

Not to Exceed Cost Estimate:

\$51, 210.
Did not submit proposal
Did not submit proposal
Did not submit proposal
Did not submit proposal
Did not submit proposal
\$44,500
Did not submit proposal
\$75,040
Did not submit proposal
\$120,000

Staff conducted an initial review of all submitted proposals and narrowed the list of potential vendors down to three, CPS, Ralph Anderson and Koff & Associates. A staff committee, made up of the Assistant City Manager, Director of Support Services and Personnel staff interviewed all three firms selected.

Koff & Associates proved to be the most viable option for the City. Taking into account the City has not conducted a compensation study in over a decade, this project will be quite an undertaking. Out

of all the vendors, Koff & Associates is by far the most experienced at handling the amount of classifications being studied. During their presentations, Koff & Associates was able to outline their process of information gathering from comparable agencies. This process includes conducting personal interviews with comparable agencies as opposed to simply sending out a questionnaire which in the City's past experience doesn't receive the best response. City staff contacted references for Koff and Associates. Only positive experiences were provided about the bidder. Based on this information, the staff committee is recommending that a contract for compensation study services be awarded to Koff & Associates at a not to exceed amount of \$75,040.

A copy of the proposal submitted by Koff & Associates is attached for Council to review as Attachment 2.

IMPACT ON CITY RESOURCES

Funding is available within the Personnel Division fiscal year 2018-19 approved budget.

ATTACHMENTS

1. Request for Proposal
2. Koff & Associates Proposal
3. Professional Services Agreement