

TO: James L. App, City Manager
FROM: Meg Williamson, Assistant to the City Manager
SUBJECT: Professional Service Contract for Classification and Compensation Study
DATE: May 17, 2005

NEEDS: For the City Council to consider adopting a resolution to retain Koff & Associates to prepare a Classification and Compensation Study for the City of Paso Robles.

FACTS:

1. The City's employment agreement with the Service Employees International Union (SEIU) calls for a comprehensive Classification and Compensation Study to be completed by December 31, 2005.
2. The purpose of the study is to determine the adequacy of all the non-safety job class specifications in terms of structuring positions to optimize productivity, efficiency, and organization effectiveness. The study will look at all SEIU and Management job classifications to assure they meet all legal requirements and they accurately describe job duties, including essential functions and disability accommodation parameters. Finally, the study will conduct internal assessment of job relationships and external assessments of compensation packages to develop a recommended compensation plan that is internally equitable and externally competitive.
3. In December, 2004 the City issued a Request for Proposal (RFP) to 46 Personnel Consulting firms and received 11 proposals by the February 18, 2005 submittal deadline.
4. The 11 proposals were evaluated on a number of professional merits and the top three candidates were invited to interview with a five member panel consisting of two representatives each from SEIU and City management, along with a fifth member at large from the City of San Luis Obispo's Human Resources Department.
5. The oral panel interviewed the three firms on May 2, 2005 and was unanimous in their recommendation that Koff & Associates would provide the most appropriate level of professional assistance desired for completion of this study.
6. References were contacted to confirm the quality of Koff & Associates work product.
7. Copies of all proposals received were placed in the City Council office and were made available for review.

**ANALYSIS
AND**

CONCLUSION: It has been several decades since the City has conducted a major study of positions in the City. The classification study will involve approximately 104 positions that are currently allocated to 29 classes of workers. Public safety classifications (fire and police) are not covered by this study.

The Memorandum of Understanding with SEIU establishes that the union shall be solicited prior to and during the study process. The Union was kept apprised and had opportunity to comment on the RFP content, had access to the proposal information received, and participated in the oral panel interviews.

Of the three firms interviewed, Koff & Associates was determined to have the most appropriately responsive proposal and be best suited for the City's study.

POLICY

REFERENCE: City Council Resolution No. 02-140 adopting the Memorandum of Understanding with SEIU.

FISCAL

IMPACT: Professional services are not required to be awarded on a low bid basis, but rather on a firm's possession of qualifications and a negotiated cost for a specific work scope. In this case, the City received proposals ranging in cost from approximately \$20,000 to \$70,000. The cost of the Koff & Associate's proposal is \$44,240 for combined services and expenses. The 2004 -2005 Fiscal Year budget had appropriated up to \$65,000 for this study.

- OPTIONS:**
- a.** Adopt Resolution No. 05-xx authorizing the City Manager to enter into a contract for professional services with Koff & Associates to conduct a Classification and Compensation Study for the City of Paso Robles.
 - b.** Amend, modify, or reject the above option.

Attachments:

- 1) Resolution No. 05-xx

RESOLUTION NO. 05-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES
AUTHORIZING THE CITY MANAGER TO ENTER INTO A PROFESSIONAL SERVICES
CONTRACT WITH KOFF & ASSOCIATES FOR A CLASSIFICATION AND
COMPENSATION STUDY

WHEREAS, the City's employment agreement with the Service Employees International Union (SEIU) calls for a comprehensive Classification and Compensation Study to be completed by December 31, 2005; and

WHEREAS, the Classification and Compensation Study is intended to address all non-safety job classifications; and

WHEREAS, the City of Paso Robles issued a Request for Proposal (RFP) to 46 Personnel Consulting firms and received 11 proposals by the February 18, 2005 submittal date; and

WHEREAS, the 11 proposals were evaluated on a number of professional merits and the top three candidates were invited to interview with a five member panel consisting of two representatives each from SEIU and City Management, along with a fifth member at large from the City of San Luis Obispo; and

WHEREAS, the oral panel interviewed the top three firms on May 2, 2005 and were unanimous in their recommendation that Koff & Associates would provide the most appropriate level of professional assistance desired for completion of this study; and

WHEREAS, the City's 2004-2005 Fiscal Year Budget appropriated \$65,000 for a Classification and Compensation Study.

THEREFORE BE IT HEREBY RESOLVED by the City Council of the City of El Paso de Robles to authorize the City Manager to enter into a contract for professional services with Koff & Associates to conduct a Classification and Compensation Study for the City of Paso Robles.

ADOPTED by the City Council of the City of El Paso de Robles at a regular meeting of said Council held on the 17th day of May 2005 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Frank R. Mecham, Mayor

ATTEST:

Sharilyn M. Ryan, Deputy City Clerk