

Council Communication

Approval of a Personal Services Contract to conduct a comprehensive Classification and Compensation Study

Meeting Date:	January 6, 2009	Primary Staff Contact:	Tina Gray
Department:	Administration/HR	E-Mail:	grayt@ashland.or.us
Secondary Dept.:	Administrative Services	Secondary Contact:	Lee Tuneberg
Approval:	Martha Bennett	Estimated Time:	Consent Agenda

Question:

Will the City Council, acting as the Local Contract Review Board, consent to enter into a public contract for a comprehensive Classification and Compensation study with CPS Human Resource Services?

Staff Recommendation:

Staff recommends that the public contract for an employee classification and compensation study be awarded to CPS Human Resource Services (CPS). CPS Human Resource Services is a governmental agency with over 70 years experience providing a full range of Human Resource Services to the Public Sector. Their proposal clearly outlines a very thorough, methodical approach for reviewing job descriptions of 142 employees assigned to 72 job classifications. They will develop a methodology for assigning jobs to a wage/grade based on general and job-specific criteria while maintaining internal equity and external comparability. CPS responded to all requirements in our Request for Proposal at a reasonable price point.

Background:

One of the goals of the City Council this fiscal year is to develop an employee continuity strategy to aid with stability of our workforce and to reduce turnover. The employee continuity/retention strategy has multiple components including: recruitment, internal succession planning, training and development, and housing/relocation assistance. Accomplishing this goal will also satisfy the recommendations from the Budget Committee and other groups for evaluating existing benefit packages and considering alternatives. Additionally, the information garnered from this study will support effective labor negotiation strategies and attempts to deal with budgetary constraints.

A key building block for the above outcomes and in formulating an effective recruitment and retention strategy is to evaluate the City's total compensation (salary, health and retirement benefits, and paid leave plans) as compared to other comparable agencies.

In addition to a market salary comparison, much of the consultant's work will be reviewing and updating job descriptions to ensure legal compliance with labor laws, and developing a system to allocate employees into job classifications based on specific job-related factors. CPS will develop a wage/grade plan with appropriate criteria upon which to tie performance to compensation.



Ultimately, the City will have an implementation plan to migrate to a new standardized, equitable compensation program that meets budget targets. The tasks that CPS will be conducting on the City's behalf are tasks that require the unbiased approach of a third party to obtain a credible outcome.

Under AMC 2.52.07(C), if there are no exemptions or special circumstances, a formal competitive selection process is required to enter into a public contract for Personal Services greater than \$50,000.

A Request for Proposals (RFP) is the sourcing method for this public contract. The purpose of this RFP is/was to acquire the services of a consultant to perform a comprehensive study on employee classification and total compensation package.

The RFP was mailed to 32 potential proposers, and the City received thirteen proposals in response. The proposals were then evaluated by a three-person evaluation committee, which resulted in CPS Human Resource Services being the highest ranking proposer. CPS Human Resource Services proposes a fee of \$49,105 plus estimated expenses of \$2,555 for travel and incidental costs related to the scope of work.

Related City Policies:

Section 2.52.010 Definitions

Personal Service Contract: A personal service contract is a contract primarily for the provision of services that requires specialized, technical, creative, professional or communicative skills, talents, unique or specialized knowledge, or the exercise of discretionary judgment skills, and for which the quality of service depends on attributes that are unique to the service provider. Such services include, but are not limited to, architectures, engineers, land surveyors and related services as defined in ORS 279C.120(6), accountants, attorneys, auditors and other licensed professionals, artists, designers, computer programmers, performers, and consultants. The Public Contracting Officer, the City Administrator or their designee shall have the discretion to determine whether a particular type of contract or services falls within the category of personal services.

2.52.070 Selection Process

The following rules shall be followed in selecting a contractor for personal services:

C. For personal service contracts that will cost \$50,000 or more, the Department Head shall award the contract based on AMC 2.50.090 (RFPs).

AMC 2.50.015 Authority

Unless otherwise expressly authorized by these Rules or by ordinance or order of the Council, all contracts must be approved by the Council before they can be executed. The Council gives its approval through its Consent Agenda which authorizes the Public Contracting Officer, his or her designee or the contracting Department to execute the contract. The Council may also execute contracts itself.



Council Options:

The Council, acting as the Local Contract Review Board, can approve the contract recommendation or decline to approve the contract recommendation.

Potential Motions:

The Council, acting as the Local Contract Review Board, moves to award the public contract for a comprehensive employee classification and Compensation study to CPS Human Resource Services.

Attachments:

None.

