

Agenda Report

TO: CITY COUNCIL

DATE: February 5, 2001

FROM: CITY MANAGER

SUBJECT: AUTHORIZATION TO INCREASE THE NOT TO EXCEED AMOUNT OF PURCHASE ORDER NUMBER 11365 WITH COOPERATIVE PERSONNEL SERVICES TO CONDUCT A COMPENSATION STUDY OF MANAGEMENT JOB CLASSIFICATIONS

RECOMMENDATION

It is recommended that the City Council authorize the Purchasing Administrator to increase the not to exceed amount of purchase order contract number 11365 with Cooperative Personnel Services in the amount of \$10,000, for a new not to exceed amount of \$35,000, to conduct a compensation study of management job classifications represented by the Pasadena Management Association. Competitive bidding is not required pursuant to City Charter Section 1002(F), contracts for professional or unique services.

It is further recommended that the City Council grant the proposed purchase order contract an exemption from the competitive selection process of the Affirmative Action in Contracting Ordinance, pursuant to PMC section 4.09.060(C), contracts for which the City's best interests are served.

BACKGROUND

On October 9, 2000, the City Council approved a Memorandum of Understanding (MOU) between the City and the Pasadena Management Association (PMA), which represents over 400 city employees. As part of the MOU the parties agreed to undertake a total compensation survey. The survey, which is to compare approximately 48 benchmark job classifications to like classifications in 13 other Southern California public sector agencies, will, among other things, analyze base salary, retirement system contributions and levels of health, dental and life insurance.

The City's Human Resources Department does not possess sufficient internal staff to allow it to undertake such a comprehensive task within the time frame

established in the MOU. The study was to be completed by December 31, 2000. Therefore, the Department and PMA representatives jointly sought to hire a qualified outside firm to perform these services. As it was estimated that the cost of these services would not exceed \$25,000 the Department undertook an informal selection process, as established by the Affirmative Action in Contracting Ordinance.

The Department sent a solicitation to nine firms who are in the business of performing compensation and classification studies. The solicitation provided a broad scope of work for the project. Based on the responses, the firm of Cooperative Personnel Services was selected and a purchase order contract issued in the amount of \$25,000.

It has become apparent that the true scope of the work will exceed the value of the purchase order. While the major thrust of the project was to conduct a total compensation survey, many other unplanned classification issues were raised which needed to be addressed in conjunction with the survey.

The Affirmative Action in Contracting Ordinance requires the issuance of a formal Request for Proposals when seeking to hire professional services in excess of \$25,000. And while the Department undertook a selection process that included nine potential consultants, the form of the solicitation fell short of what is required of a Request for Proposals. Therefore, in order to increase the purchase order contract beyond \$25,0000, City Council approval of an exemption from the Request for Proposal process of the Affirmative Action in Contracting Ordinance is required. Staff respectfully requests City Council approval for this exemption based on the fact that Cooperative Personnel Services was selected through an fair and open process, the firm was determined to be most qualified to perform these services and the City has agreed to undertake this analysis in a timely manner.

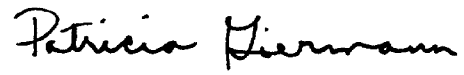
FISCAL IMPACT

Funds for the proposed purchase order contract are available in the Personnel Services Reserves and will be transferred to the Human Resources Department upon approval by City Council.

Respectfully submitted


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CITY MANAGER

Approved by:



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Interim Director of Human Resources

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