

Agenda Report

TO: CITY COUNCIL

DATE: AUGUST 22, 2005

FROM: CYNTHIA J. KURTZ, CITY MANAGER

SUBJECT: APPROVAL OF INCREASE TO PURCHASE ORDER CONTRACT WITH PHFE MANAGEMENT SOLUTIONS IN AN AMOUNT NOT TO EXCEED \$165,000 FOR PROVISION OF CONTRACT STAFF TO THE PASADENA PUBLIC HEALTH DEPARTMENT

RECOMMENDATION:

It is recommended that the City Council authorize an increase to the purchase order contract with PHFE Management Solutions in the amount of \$90,000 from \$75,000 to \$165,000 for the provision of contract staff to the Pasadena Public Health Department until the transition of contract staff to City regular staff has been completed.

BACKGROUND

The Pasadena Public Health Department (PPHD) has contracted with PHFE Management Solutions (PHFE) since 1999 to provide staffing for grant programs. The rationale for contracting with PHFE to provide staffing included:

- Expedited recruitment and hiring processes ensured the maximum amount of funds were expended.
- Access to larger pools of eligible candidates.
- Ease of releasing staff when a grant ended.
- Lower employee benefit and administrative costs.


During the FY 2005 budget planning process, staff determined that the costs of staff through PHFE had become higher than City costs for staff. With the adoption of the FY 2005 budget, a number of PHFE contract positions were shifted from the contract line item to personnel. The decision was made to shift only those positions for which funding had been secured for a full year.

During the FY 2006 budget planning process, costs of staff from PHFE were again compared to City costs, revealing a negligible difference between the two organizations. To ensure equity amongst all staff at PPHD the decision was made to shift the contract positions to City personnel. Staff is undertaking the recruitment process and estimates that the transition will take four to six months. The recruitment includes a total of 13 positions (12 full time equivalents) which will be shifted from contract to City employees. During this transition, it is important that the various grant programs are staffed so that progress can continue on the scopes of work. By issuing additional purchase orders, the costs of the contract personnel will be covered. The current monthly cost is approximately \$48,000 which will be reduced as the positions are transitioned from contract to City staff.


FISCAL IMPACT:

There will be no change to the Public Health Department's revenues and appropriations as a result of this action. Costs incurred under the purchase order(s) will be covered by salary savings in the individual grant program budgets where the positions are budgeted.

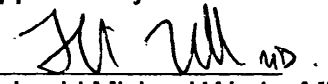
Respectfully submitted,


CYNTHIA J. KURTZ
City Manager

Prepared by:


Heidi E. Petersen-Leach
Public Health Administrator

Approved by:


Takashi Michael Wada, MD
Health Officer