

Agenda Report

July 17, 2023

TO: Honorable Mayor and City Council

FROM: Human Resources

**SUBJECT: CONTRACT AWARDS TO REWARD STRATEGY GROUP, INC;
GALLAGHER BENEFIT SERVICES, INC; IOPREDICT, INC AND
SLOAN SAKAI YEUNG & WONG, LLP FOR CLASSIFICATION &
COMPENSATION SERVICES FOR AN AMOUNT NOT-TO-EXCEED
\$1,000,000**

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the proposed action herein is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA guidelines Section 15061(b)(3) (Common Sense Exemption);
2. Authorize the City Manager to enter into a contract, as a result of a competitive selection process specified by Section 4.08.047 of the Pasadena Municipal Code, with Reward Strategy Group, Inc (RSG) for Classification & Compensation services for a total amount not-to-exceed \$150,000 over a three-year term with the option to extend the contract by two optional one-year extension periods. The value of each optional one-year extension period is not-to-exceed \$50,000;
3. Authorize the City Manager to enter into a contract, as a result of a competitive selection process specified by Section 4.08.047 of the Pasadena Municipal Code, with Gallagher Benefit Services, Inc (Koff & Associates) for Classification & Compensation services for a total amount not-to-exceed \$150,000 over a three-year term with the option to extend the contract by two optional one-year extension periods. The value of each optional one-year extension period is not-to-exceed \$50,000;
4. Authorize the City Manager to enter into a contract, as a result of a competitive selection process specified by Section 4.08.047 of the Pasadena Municipal Code,

with ioPredict, Inc for Classification & Compensation services for a total amount not-to-exceed \$150,000 over a three-year term with the option to extend the contract by two optional one-year extension periods. The value of each optional one-year extension period is not-to-exceed \$50,000; and

5. Authorize the City Manager to enter into a contract, as a result of a competitive selection process specified by Section 4.08.047 of the Pasadena Municipal Code, with Sloan Sakai Yeung & Wong, LLP for Classification & Compensation services for a total amount not-to-exceed \$150,000 over a three-year term with the option to extend the contract by two optional one-year extension periods. The value of each optional one-year extension period is not-to-exceed \$50,000.

BACKGROUND:

The Labor Relations Division of the Human Resources Department partners with classification and compensation firms to conduct a variety of tasks including: desk audits for reclassifications requests, development of new classifications, extensive salary surveys with multiple survey agencies, organizational analysis and other ad hoc work as needed. This supports the department's mission to attract, retain, and develop a diverse and highly qualified workforce for the City of Pasadena. On May 4, 2023, a new Request for Proposal (RFP) was issued and the City received five responses. All proposals were evaluated by an internal panel consisting of representatives from Human Resources. The scope of work includes performing any and all tasks related to classification and compensation work.

The responses were evaluated by the internal panel and scored according to specific criteria detailed in the RFP that consisted of relevant experience, description of services, cost effectiveness and whether the vendor is a local Pasadena business or small business. The internal panel individually scored each of the written proposals and the scores were tabulated. Attachment A contains a summary of the proposals and scoring based on established evaluation criteria. The following selected top four vendors in rank order are recommended to provide services:

FIRM	LOCATION	Score
Reward Strategy Group, Inc (RSG)	San Diego, CA	87.21
Gallagher Benefit Services, Inc (Koff & Associates)	Berkeley, CA	82.51
ioPredict, Inc	Lincoln, CA	77.15
Sloan Sakai Yeung & Wong, LLP	Sacramento, CA	71.50

Each selected firm demonstrated notable knowledge and experience in classification and compensation services in California and received an average score of 71 or greater. When classification and compensation assignments are identified, one of these four contracted vendors will be solicited. The not-to-exceed contract amount of \$50,000

per year per vendor was calculated based on the average pricing provided by the selected vendors and based on past and projected usage. The City retains the right to engage other vendors for classification and compensation services as needed based on availability and type of engagement required. Sloan Sakai Yeung & Wong, LLP is a law firm, but no legal services will be provided through this agreement. A separate agreement for legal services, with the firm being retained by the City Attorney, would be required for such work.

COUNCIL POLICY CONSIDERATION:

This action supports the City Council's strategic goal to maintain fiscal responsibility and stability.

FISCAL IMPACT:

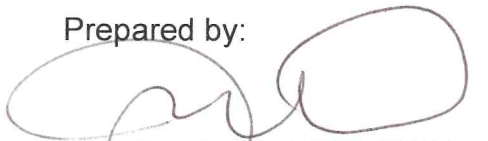
The maximum cost under this combined contract will be an amount not to exceed \$1,000,000 if the optional extensions for a fourth and fifth year are exercised. Funding for this action will be addressed utilizing existing and future General Fund appropriations budgeted in the Human Resources Department's annual operating budget.

Respectfully submitted,



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Director of Human Resources

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Approved by:



MIGUEL MÁRQUEZ
City Manager