

TO: Andrew P. Powers, City Manager

FROM: Tim Giles, Human Resources Director

DATE: May 7, 2024

SUBJECT: Professional Services Agreement for Citywide Classification and Total Compensation Study

RECOMMENDATION:

1. Approve Professional Services Agreement with Evergreen Solutions, LLC (Tallahassee, FL) for a Citywide Classification and Total Compensation Study, in a not-to-exceed amount of \$120,000, with a term ending December 31, 2025.
2. Authorize expenditure in the amount of \$120,000 from A/C #001-0510-612-5699 (Contracted Services).
3. Find that this action is not a project as defined under the California Environmental Quality Act.

LEVINE ACT ITEM: Yes

FINANCIAL IMPACT:

No Additional Funding Requested. \$120,000 is included in the Adopted FY 2023-24 General Fund Budget for the preparation of the Classification and Total Compensation Study.

BACKGROUND:

The purpose of a comprehensive Classification and Total Compensation Study is to evaluate and analyze the City's classifications, compensation structure, and hiring practices. The objective is to establish a competitive, equitable, sustainable compensation structure, aligned with the labor market.

As the workforce evolves, with shifts in demographics and skills, it is important to regularly assess and update classification and compensation frameworks. Changes to the workforce, operations, organizational structure, reporting relationships, and staffing since the last study may have had an impact on the nature, scope, level, and classification of work performed.

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The most recent comprehensive Classification and Total Compensation Study was completed over 20 years ago. In the interim, the City has conducted iterative benchmark studies approximately every five years, and through the collective bargaining process has adjusted compensation and benefits. The proposed agreement to conduct a Citywide Classification and Total Compensation Study will allow the City to adapt compensation strategies to meet the needs and expectations of a diverse and dynamic workforce, remain competitive in the labor market, and attract and retain a highly committed and engaged workforce.

DISCUSSION/ANALYSIS:

The study will encompass approximately 146 classifications within each of the City's departments. The selected consultant will conduct a detailed analysis of the City's current classification and compensation system, which will include:

- reviewing all job classifications
- confirming relationships between designated jobs, classification series, and career ladders
- interviewing and surveying employees on their actual duties
- conducting focus groups to develop recommendations

Additionally, the consultant will develop and execute a comprehensive communication plan, including on-site and virtual meetings with a variety of stakeholders: employees, unions, and management, and provide regular progress updates to the project team. The consultant will conduct a market salary and benefits benchmark survey of similarly situated jurisdictions, develop strategies and recommendations for compensation administration, and provide comprehensive reports that will serve as the foundation for updating classification and compensation structures.

Staff solicited a formal Request for Proposals/Qualifications (RFP/Q) for a Classification and Total Compensation Study on February 9, 2024, which was publicly advertised in the Thousand Oaks Acorn newspaper and on the City's procurement website.

In accordance with Government Code section 4526 and Thousand Oaks Municipal Code section 3-10.401, unlike the low bid requirements of the Public Contract Code, contracts for professional, management, general, or special services should only be awarded to firms or persons who have demonstrated an adequate level of experience, competence, training, credentials, resources, staffing, and other professional qualifications necessary to perform the services solicited. The award of the RFP/Q is based upon a variety of factors that demonstrate best value to the City for the solicited scope of work or service. The cost of the service may be considered as one of those factors; however, the lowest cost is not the sole factor in deciding who will be awarded the contract.

The following vendors submitted proposals to the City for consideration:

American MindTrust	Jacksonville, FL
AutoSolve, Inc.	Saint Augustine, FL
Evergreen Solutions, LLC	Tallahassee, FL
Ewing Consulting	San Clemente, CA
JER HR Group LLC	New York, NY
Koff and Associates, Inc.	Berkeley, CA
MGT of America Consulting, LLC	Tampa, FL
Public Sector Personnel Consultants, Inc.	Mesa, AZ
The Segal Group	Washington, DC
Transformance Consulting	Corona, CA
unCOMPLicate HR, Inc.	Fresno, CA

After an extensive review of written proposals by the Human Resources Department and City Attorney's Office, three vendors, Evergreen Solutions, LLC, MGT of America Consulting, LLC, and Transformance Consulting were invited to make presentations. Presentations were further evaluated by the Human Resources Department.

The evaluation criteria included project understanding and approach, responsiveness, clarity, and quality with the terms of the RFP/Q, overall impression, experience, creativity and innovation, cost, support and training, and completion schedule. After detailed evaluations, interviews, and reference checks, staff recommends entering a contract with Evergreen Solutions, LLC (Evergreen) (Attachment #1).

Evergreen is a national firm with significant experience in conducting classification and compensation studies with municipalities, including some agencies that are local to the City of Thousand Oaks. Other factors supporting Evergreen's qualifications for the study are Evergreen's knowledge and experience with best practices and structure of local government organizations and the California labor market. Their proposal emphasizes a collaborative and continuous communication plan that engages all stakeholders, and leverages technology to complete the study efficiently and according to the project timeline of approximately 6 months. Evergreen presented a variety of solutions and demonstrated a strong commitment to customizing their approach as needed for a successful project outcome. Evergreen's proposed schedule and costs also best meet the needs of the City and provide the best opportunity to deliver the product on time and within budget.

LEVINE ACT (California Government Code § 84308):

This item is subject to the Levine Act. City Councilmembers who have received a campaign contribution of more than \$250 (aggregated) within the preceding 12 months from a party or their agent/representative, or a financially-interested participant involved in this proceeding may do either of the following: (1) disclose the contribution on the record and recuse themselves from this proceeding; or if applicable (2) return the portion of the contribution that exceeds \$250 within 30 days from the time the official knew or should have known about the contribution, and participate in the proceeding.

All parties and their agents/representatives must disclose on the record of this proceeding any aggregated contribution of more than \$250 made to any Councilmember within the preceding 12 months. Councilmembers are prohibited from accepting, soliciting, or directing a campaign contribution of more than \$250 (aggregated) from a party, their agent/representative, or a financially interested participant during a proceeding and for 12 months following the date a final decision is made. In addition, a party, their agent/representative, or a financially interested participant is prohibited from contributing more than \$250 (aggregated) to a Councilmember during a proceeding and for 12 months following the date a final decision is made.

COUNCIL GOAL COMPLIANCE:

Meets the following City Council goals:

C. Operate City government in a fiscally and managerially responsible and prudent manner to ensure that the City of Thousand Oaks remains one of California's most desirable places to live, work, visit, recreate, and raise a family.

K. Prepare for transition of City workforce by ensuring that sufficient succession planning takes place to develop an employment base which is reflective of the community's demographics.

PREPARED BY: Sharon Chen, Deputy Human Resources Director

Attachments:

Attachment #1 – Professional Services Agreement with Evergreen
Solutions, LLC