



Council Communication No. 97-273

SYNOPSIS –

It is recommended that the consulting firm of Yarger Decker and Thomas, Inc. of Boise, Idaho be retained to conduct a comprehensive Citywide classification and compensation study of all positions in the City service.

FISCAL IMPACT –

Total cost will be \$136,413. Seventy thousand dollars is presently budgeted in the Civil Service/Personnel Department Budget: \$35,000 in the current FY1996-97 Budget and \$35,000 in FY1997-98. The remaining amount will come from the benchmarking and training appropriation.

RECOMMENDATION –

Approval of contract.

BACKGROUND –

On September 30, 1996, the City issued a Request for Proposals (RFP) to accept bids for a classification and compensation study of all positions in the City service. Eight responses were received by the November 4, 1996, deadline.

Evaluation of the bids received was delayed due to work on the FY1996-97 revised and FY1997-98 Budgets as well as by work on the Plan 60 RFP and its evaluation. During this period there was much discussion among the department directors and the Supervisory, Professional and Management (SPM) employees regarding the RFP process for the classification and compensation study, particularly the evaluation of bids received. As a result of this discussion, it was determined that a Classification and Compensation Steering Committee would be established to review and oversee the RFP process. The City Manager appointed the original committee which was comprised of several department directors and SPM employee representatives.

The original steering committee reviewed the RFP and the evaluation process contained therein and determined it to be comprehensive and appropriate for the purposes of conducting a Citywide classification and compensation study. Next, the committee established a recommended timeline for selecting a consultant and completing the study (Attachment 1). As

part of the planning discussions, there were concerns expressed about the acceptance of the study's results throughout the organization. The original committee recommended to the City Manager that the committee be expanded to include representatives from each of the City's bargaining units. He agreed and invited the bargaining units to participate (a list of the members of the full committee is attached as Attachment 2). The City Manager also agreed that the Steering Committee would serve as a resource for and assist in the coordination and oversight of the classification and compensation study.

The full committee first met on March 12, 1997 to begin evaluation of the eight bid proposals received. It used the following criteria and weights for evaluation (a sample scoring sheet is attached as Attachment 3):

Consultant's knowledge/credentials	30%
Cost of services	25%
Quality and effectiveness of study	25%
Duration of study	10%
Provide expert testimony/follow-up services	5%
Location of consultant	5%
Total	100%

All bidders were evaluated by the committee using the above criteria. It was provided in the RFP that the committee would use these evaluation criteria to determine which of the consultants would be invited for an oral interview with the committee. The results of the first evaluation step were sufficiently close; therefore, the committee decided to eliminate only two of the eight bidders and invited the remaining six for interviews. By so doing, the committee believed that the information gained in the interviews would provide them with adequate data for performing final evaluations of the bidders. Alexander and Alexander Consultants and Public Administration Services were eliminated in the initial evaluation.

Interviews were conducted on April 8, 9 and 10 with the six consultants who remained in the process. The committee met again on April 14 to evaluate the finalists. The results showed that three firms, Hay Management Consultants (the Hay Group), Ralph Andersen and Associates, and Yarger Decker and Thomas, ranked very close to one another, particularly when price was not factored in. Committee members expressed at that time the desire to check the references of top three finalists before making a final selection. Once references had been checked, the committee compiled their evaluations selecting Yarger Decker and Thomas, Inc. as the consultant to recommend to City Council to conduct the classification and compensation study. The Yarger Decker and Thomas price of \$136,413 was the lowest of the three finalists, with the Ralph Andersen and Associates bidding \$195,000 and the Hay Group \$202,041.