



Midpeninsula Regional  
Open Space District

## PROCUREMENT AGENDA ITEM

R-24-136  
Meeting 24-29  
November 13, 2024

## AGENDA ITEM 6

### AGENDA ITEM

Contract Amendment with Gallagher Benefit Services, Inc., for Compensation and Classification Studies

### GENERAL MANAGER'S RECOMMENDATION

(7) *den*

Authorize the General Manager to amend the professional services agreement with Gallagher Benefit Services, Inc., to increase the contract amount by \$150,000 and extend the contract to December 31, 2026, for a total not to exceed \$330,000 to conduct compensation and classification studies.

### DISCUSSION

Board Policy 2.03, *Employee Compensation Guiding Principles*, states that the General Manager may periodically direct that a compensation study be performed, organization-wide or for specific departments, work groups or classifications based on business need. In 2022, the General Manager requested compensation studies of various classifications to determine market placement and for retention and recruitment purposes.

Human Resources (HR) staff subsequently conducted a Request for Proposals (RFP) in 2022 for these services. Gallagher was selected from three proposers as the most qualified and best-suited consultant to perform the work at a fair and reasonable price. The District entered into a contract with Gallagher for Fiscal Year 2022-23 (FY23) under the General Manager's authority, not to exceed \$50,000. The scope of work included various compensation studies related to negotiations with both the Midpeninsula Ranger Peace Officers Association (POA) and the Field Employees Association (FEA).

On February 22, 2023, the Board of Directors (Board) authorized the General Manager to amend the professional services contract with Gallagher to increase the agreement amount by \$130,000 and extend the agreement to December 31, 2024, for a total amount not to exceed \$180,000, for additional compensation studies and related work for FEA, POA, and for Office, Supervisory, and Management (OSM) classifications. Most recently, Gallagher also assisted the District with analysis related to review of Board Policy 2.03, *Employee Compensation Guiding Principles*.

On September 25, 2024, the Board received an initial presentation from staff and discussed information relevant to and about Board Policy 2.03, *Employee Compensation Guiding Principles*. Further research and analysis related to the compensation philosophy is being conducted, classification studies for select departments are now scheduled, and classification and compensation work related to the Financial and Operational Sustainability Model (FOSM) Refresh is anticipated. Considering the consultant's expertise, strong familiarity with the District,

RFP performance, and the need for continuity in the process, the General Manager recommends amending the professional services agreement with Gallagher to increase the contract amount by \$150,000 and extend the contract to December 31, 2026, for a total not to exceed \$330,000.

## FISCAL IMPACT

### The current fiscal year budget contains:

- sufficient funds.
- insufficient funds; the next quarterly budget update will include a reallocation of unspent funds from other project budgets to cover for this expenditure.
- insufficient funds; approval of this item requires a fiscal year budget augmentation.
- future fiscal year budgets will include additional funds to complete the contracted work.

## PROCUREMENT PROCESS AND SELECTION

In February 2022, HR staff issued an RFP via Periscope. The District received two proposals by the deadline. Gallagher was selected as the most qualified consultant due to their vast experience, in-depth knowledge, and understanding of compensation standards for comparable and nearly public agencies in the region. The firm proposed a strategic and streamlined workplan at a fair and reasonable price.

## PRIOR BOARD ACTION SUPPORTING THE PROJECT

This agreement was initiated in June 2022 under the General Manager's contracting authority in response to the General Manager's request for compensation studies of various classifications to determine market placement and for retention and recruitment purposes. The subsequent need for additional analysis and classification and compensation studies increased the projected agreement amount and term.

- **February 22, 2023:** Board Approves Contract Amendment with Koff and Associates (now Gallagher) for Compensation and Classification Studies ([R-23-22](#), [minutes](#))
- **September 25, 2024:** Board Received a Compensation Philosophy Informational Presentation ([R-24-120](#), [minutes](#))

## PRIOR BOARD AND COMMITTEE REVIEW

None

## PUBLIC NOTICE

Public notice was provided as required by the Brown Act.

## CEQA COMPLIANCE

This item is not a project subject to the California Environmental Quality Act.

**NEXT STEPS**

Upon Board authorization, the General Manager will execute an amendment to the agreement with Gallagher as described in this report.

Responsible Department Head:

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