

# *City of Brisbane*

## *Agenda Report*

To: City Council via City Manager

From: Stuart Schillinger, Administrative Services Director/Deputy City Manager

Subject: Agreement with L.B. Hayhurst and Associates Inc. for Employee Compensation Survey

Date: June 4, 2015

### **Purpose:**

Provide employee compensation information for the City to use as information for the upcoming employee negotiations.

### **Recommendation:**

Direct the City Manager to sign the Agreement between the City of Brisbane and L.B. Hayhurst and Associates Inc. for Compensation Survey Consultant Services and approve a supplemental appropriation for \$19,000.

### **Background:**

As part of the the last agreement signed between a number of employee bargaining groups and the City of Brisbane the City agreed to perform a comprehensive employee compensation survey within 90 days of July 1, 2015. This survey would be used provide information concerning the compensation employees for the City receive compared to similar employees in nearby cities. All bargaining group agreements will have expired by December 31, 2015.

### **Discussion:**

In a letter dated March 30, 2015 L.B. Hayhurst set out the scope of work for the proposed compensation study. The consultant will use approximately 65 positions within the City to benchmark our total compensation compared to other agencies the City has historically compared itself to. A total compensation study includes both salaries and the benefits employees receive. The types of benefits usually included in total compensation are health insurance (including dental and vision if applicable), various leaves, and pension benefits.

The agreements with the bargaining groups state the information received from the compensation study will inform but dictate the negotiations. Once the compensation study is completed staff will return to the Council with its results and seek direction concerning the negotiations for contracts beginning in January 2016. The quicker the study can be completed the more likely an agreement will be in place in prior to the expiration of the old agreements.

### **Fiscal Impact:**


The cost of the study shall not exceed \$19,000. Since the exact timing of the contract was not known at the beginning of 2014/15 budget year it was not included in the budget, therefore a supplemental appropriation for this amount will also need to be approved. At the time of the mid year budget staff had projected the City's Hotel Tax at \$2,300,000 with an expectation this may be higher. Through April it the new projection is \$2,450,000. Therefore, this \$19,000 expenditure will not have an impact on the expected ending fund balance for the City's General Fund.

**Measure of Success**

A total compensation study is completed that is used to inform the negotiations for contracts beginning in 2016.

**Attachments:**

L.B. Hayhurst Agreement  
L.B. Hayhurst Scope of Work

  
Stuart Schillinger  
Administrative Services Director  
Clay Holstine  
City Manager

**AGREEMENT BETWEEN THE CITY OF BRISBANE AND  
L.B. HAYHURST & ASSOCIATES, INC. FOR  
COMPENSATION SURVEY CONSULTANT SERVICE**

This contract is dated for identification this       day of       , 2015, and is made by and between the CITY OF BRISBANE, a municipal corporation, whose address is 50 Park Place, Brisbane, California 94005-1310 (hereinafter "CITY") and L.B. Hayhurst & Associates, Inc., whose address is 1014 Hopper Avenue, #506, Santa Rosa, California, 95403 (hereinafter "CONSULTANT").

**RECITALS**

- A. CITY desires to retain the services of CONSULTANT to provide compensation review for designated classes.
- B. CONSULTANT is a qualified professional capable of providing the certain professional services which CITY seeks.

NOW, THEREFORE, in consideration of the recitals and mutual promises contained herein, CITY does hereby engage CONSULTANT, and CONSULTANT agrees to perform the services set forth herein in accordance with the following terms and conditions:

1. **Description of Services:** CONSULTANT shall provide the following services:  
  
Compensation study as described in the scope of services attached hereto and incorporated by reference as Exhibit A.
2. **Schedule and Term:** The schedule for performing said services is as follows:  
  
CONSULTANT shall commence work under this contract on May 30, 2015 and shall complete all work under this contract no later than October 1, 2015.
3. **Compensation:** Total compensation to CONSULTANT for providing services set forth herein shall not exceed (including reimbursed expenses) Nineteen Thousand Dollars (\$19,000).
4. **Payment Schedule:** CITY shall make periodic payments as follows: 1/3 at time of contract approval, 1/3 upon receiving the preliminary report and 1/3 upon presentation of the final report. Expenses will be reimbursed within thirty (30) days of receiving and approving a billing statement and documentation of expenses.
5. **Reliance Upon Professional Skills:** It is mutually agreed by the parties that CITY is relying upon the professional skill of CONSULTANT, and CONSULTANT represents to the CITY that its work shall conform to generally recognized professional standards in the industry. Acceptance of CONSULTANT's work by CITY does not operate as a release of CONSULTANT's said representation.



6. **Independent Contractor:** It is agreed that CONSULTANT is an independent contractor, and all persons working for or under the directions of CONSULTANT are CONSULTANT's agents, servants, and employees, and said persons shall not be deemed agents, servants, or employees of CITY.
7. **Ownership of Data and Documents:** CONSULTANT agrees that all records, specifications, data,, maps, designs, graphics, writings, recordings and other tangible materials regardless of form or format, including, without limitation, electronically transmitted documents, and other collateral materials collected, compiled, drafted, prepared, produced, and/or generated in the performance of this Agreement shall be property of CITY. CONSULTANT shall regularly provide such documents to CITY upon CITY's request. In the event that his Agreement I terminated prior to completion of the scope of work, CONSULTANT shall provide all such data and documentation to CITY forthwith.
8. **Insurance:**
  - a. **Commercial General Liability/Automobile Liability Insurance:**

CONSULTANT shall obtain and maintain Commercial General Liability insurance and Automobile Liability insurance in a minimum amour of One Million Dollars (\$1,000,000) per occurrence. If a general aggregate limit is used, either the general aggregate limit shall apply separately to this contract or the general aggregate limit shall be twice the required occurrence limit. CONSULTANT's insurance cover shall be written on an occurrence basis.
  - b. **Workers' Compensation Insurance:**

CONSULTANT shall obtain and maintain statutory Workers' Compensation insurance and Employer's Liability insurance in a minimum amount of One Million Dollars (\$1,000,000) per accident.
  - c. **Acceptability of Insurance:** Insurance is to be placed with the insurers with a current Best Rating of A:VII unless acceptable to CITY.
  - d. **Verification of Coverage:** Insurance deductibles, or self-insurance retentions shall be subject to CITY's approval. Original Certificates of Insurance with endorsements shall be received and approved by CITY before work commences, and insurance must be in effect for the duration of the contract. The absence of insurance or a reduction of stated limits shall cause all work on the project to cease. Any delays shall not increase costs to
  - e. **Other Insurance Provisions:**
    - 1) The City of Brisbane, its officers, officials, employees and volunteers are to be covered as additional insured by Endorsement or Endorsements approved by the CITY for Commercial General and Automobile Liability coverage.
    - 2) For any claims related to this project, CONSULTANT's insurance coverage shall be primary and any insurance or self-insurance maintained by CITY, its officers, officials, employees, and volunteers shall not contribute to it.
    - 3) Each insurance policy required shall be endorsed that a thirty (30) day notice be given to CITY in the event of cancellation or modification to the stipulated insurance coverage.
    - 4) In the event CONSULTANT employs subcontractors as part of the work covered by this Agreement, it shall be the responsibility of CONSULTANT to ensure that

all subcontractors comply with the same insurance requirements that are stated in the Agreement.

- 5) Approval of the insurance by CITY or acceptance of the Certificate of Insurance by CITY shall not relieve or decrease the extent to which CONSULTANT may be held responsible for payment of damages resulting from CONSULTANT's services or operation pursuant to this Agreement, nor shall it be deemed a waiver of CITY's rights to insurance coverage hereunder.
- 6) If, for any reason, CONSULTANT fails to maintain insurance coverage that is required pursuant to this contract, the same shall be deemed a material breach of contract. CITY, at its sole option may terminate this contract and obtain damages from CONSULTANT resulting from said breach. Alternately, city may purchase such required insurance coverage, and without further notice to CONSULTANT, CITY may deduct from sums due to CONSULTANT any premium costs advanced by CITY for such insurance.
9. **Hold Harmless:** CONSULTANT shall defend, indemnify, and hold CITY, its officers, employees, and agents harmless from any liability for damage or claims of same, including, but not limited to, personal injury, property damage, and death, which may arise from CONSULTANT or CONSULTANT's contractors, subcontractors, agents, or employee operations under this Agreement. CITY shall cooperate reasonably in the defense of any action, and CONSULTANT shall employ competent counsel, reasonably acceptable to the City Attorney.
10. **Applicable Laws and Attorneys' Fees:** This Agreement shall be construed and enforced pursuant to the laws of the State of California. Should any legal action be brought by a party of breach of this Agreement or to enforce any provision herein, the prevailing party of such action shall be entitled to reasonable attorney's fees, court costs, and such other costs as may be fixed by the court. Reasonable attorney's fees of the City Attorney's Office, if private counsel is not used, shall be based on comparable fees of private attorneys practicing within the County.
11. **Nondiscrimination:** CONSULTANT shall afford equal employment opportunities for all persons without discrimination because of race, color, religion, sex, sexual orientation, political affiliation, national origin, ancestry, age, marital status, physical or mental disability, military status, gender identity and expression, or genetic information.
12. **Amendment:** This Agreement may be amended in writing and signed by both parties.
13. **Termination:** CITY may terminate this Agreement at any time by providing ten (10) days advance written notice to CONSULTANT. Should CITY terminate pursuant to said notice, CITY shall pay CONSULTANT for CONSULTANT's services rendered to the date of cancellation based on percentage of completion of scope of basic services, including actual reimbursable expenses. In no event shall said fees exceed the maximum compensation established in this Agreement.
14. **Attachments or Exhibits:** Except as expressly referenced herein, no portion of any terms or conditions included in any attachments or exhibits shall be a part of this Agreement, and they shall have no force or effect. If any attachments or exhibits to this Agreement are inconsistent with this Agreement, this Agreement shall control.
15. **Entire Agreement:** This Agreement contains the entire understanding between the parties with respect to the subject matter herein. There are no representations, agreements, or understandings (whether oral or written) between or among the parties relating to the subject matter of this Agreement which are not fully expressed herein.



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16. **Public Records:** The parties recognize and acknowledge that CITY is subject to California Public Records Act, California Government Code Section 6250 and following. Public records are subject to disclosure.
17. **Notices:** Any notice required to be given to CONSULTANT shall be deemed to be duly and properly give if mailed to CONSULTANT, postage prepaid, addressed to :

L.B. HAYHURST & ASSOCIATES, INC

1014 Hopper Avenue No 506

Santa Rosa, CA 95403

Or personally delivered to CONSULTANT at such address or at such other addresses as CONSULTANT may designated in writing to CITY.

Any notice required to be given CITY shall be deemed to be duly and properly give if mailed to CITY, postage prepaid, addressed to:

City Manager  
City of Brisbane

50 Park Place  
Brisbane, CA 94041

Or personally delivered to CITY at such address or at such other addresses as CITY may designate in writing to CONSULTANT.

IN WITNESS WHEREOF, this Agreement, dated \_\_\_\_\_ 2015, between the City of Brisbane and L. B. Hayhurst & Associates, Inc. for services is executed by CITY and CONSULTANT:

“CITY”  
City of Brisbane

By: \_\_\_\_\_

“CONSULTANT”  
L.B. Hayhurst & Associates, Inc.

By: \_\_\_\_\_  
Taxpayer I.D. Number



March 30, 2015

Clay Holstine  
City Manager  
City of Brisbane  
50 Park Place  
Brisbane, CA 94041

Sent Via Email to: Maria Saguisag-Sid, [msaguisag@ci.brisbane.ca.us](mailto:msaguisag@ci.brisbane.ca.us)

Dear Mr. Holstine:

Thank you for asking for a proposal to conduct a "Total Compensation Study" for the City of Brisbane. The following is a brief cost proposal and timeline. If the City wants a more in-depth proposal please let me know. It should be noted that we have reduced the professional fees by **ten (10%)** in recognition of the fact that the City of Brisbane has been a long term client.

The following is our understanding of the project, our proposed scope of services, estimated timelines and proposed costs.

**Project Understanding:**

**Total Compensation Study:**

The City currently has approximately ninety-five (95) classifications. It is estimated that using "Benchmark" classifications concept, approximately sixty-five (65) may be used to survey the labor market. The City has twelve (12) agencies that have been historically used as comparable agencies for survey purposes. It is our understanding that assistance in reviewing agencies in labor market which are appropriate to Brisbane is to be provided. This study is to be a "total compensation" study and the Consultant will work with the City staff to identify benefits to be included in the study.

**PROPOSED SCOPE OF SERVICE:**

The scope of the services for the two projects included in this proposal is attached.

**PROFESSIONAL FEES:** The professional fees for conducting the services outline are as follows:

➤ Total Compensation Study: \$18,000

**EXPENSES:**

In addition, we will require reimbursement for project related expenses, which will be itemized and invoiced with copies of receipts and documentation. Expenses are estimated due to unknown factors such as number of consultant visits to the City. If the City decides to conduct the Total Compensation study, we estimate that expenses for three visits to the City (driving from Santa Rosa California) will be approximately \$1,000 including meals, mileage, printing, postage, etc.

**TOTAL COST:**

Total of fees and expenses for the project will not exceed \$19,000 without prior approval of the City.
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**NOTE:**

The following professional fee hourly rates have been used in the above calculations of professional fees, minus 10% discount. These rates are inclusive of all salaries, benefits, administrative overhead, and company profit. Travel time is calculated at one-half the hourly rate.

President (L. Hayhurst)	\$195/hr.
Senior VP (J. Hayhurst)	\$130/hr.
Clerical	\$50/hr.

**Estimated Project Timing:**

We are flexible in project timing to meet realistic deadlines. The retrieval of total compensation data is dependent on comparison agency cooperation. It will take approximately 90 days from the start of the Total Compensation Study to completion. Our staff will make every effort to complete the above projects in an urgent manner and timing depends on start dates and staff availability.

We look forward to working with you again. Project staff resumes and client references are available upon request.

Sincerely,

//s//

Lonnie B. Hayhurst  
President/CEO

Attachments:  
Scope of Service



## SCOPE OF SERVICE

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### Total Compensation Study:

1. Review the City's current classification plan and class series, working with City staff to identify "Benchmark Classes" to be used during the labor market survey. This survey will be conducted using the current class descriptions.
  2. Review the City's current comparable agencies and make recommendation on changes to better reflect the City of Brisbane labor market.
  3. Work with City staff to identify which benefits are to be included in the benefit portion of the study.
  4. Current a market survey of the agreed to comparable agencies (up to 14) to ensure that appropriate classification comparisons are made.
  5. Analyze market data and prepare a detailed preliminary report of market findings and an analysis of the City's alignment with the market for each of the benchmark classes.
  6. Review and make comment on issue of internal vertical and horizontal alignment.
  7. Consult with City staff on the market findings
  8. Prepare a final report and present the findings to the City Council, if desired.
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### Agencies to be included in survey:

Burlingame  
Daly City  
Foster City  
Millbrae  
Pacifica  
Redwood City  
San Bruno  
San Carlos  
San Mateo  
South San Francisco

### Fire will include the above plus:

Alameda  
Albany  
Belmont  
Central County (if not already included in the above agencies)  
Emeryville