



City of San Antonio

Agenda Memorandum

File Number:18-3639

Agenda Item Number: 45.

Agenda Date: 6/21/2018

In Control: City Council A Session

DEPARTMENT: Human Resources

DEPARTMENT HEAD: Lori Steward

COUNCIL DISTRICTS IMPACTED: City-wide

SUBJECT:

Mayor & City Council Appointed Executive Evaluation & Compensation Services

SUMMARY:

An Ordinance authorizing the execution of a professional services agreement with The Segal Company (Western States) Inc., dba Segal Waters Consulting for the development of evaluations and compensation review of executives appointed by the Mayor and City Council for an amount not to exceed \$279,500. The initial term is three (3) years effective upon award, with two (2) optional, one (1) renewals. Funding for year one is available from the FY 2018 General Fund Budget. Funding for subsequent years is subject to and contingent upon appropriation by City Council as part of the annual budget process.

BACKGROUND INFORMATION:

In January 2018, staff initiated a process to solicit proposals for the development of evaluations and compensation review of executives appointed by the Mayor and City Council. A briefing was provided to the Governance Committee on February 28, 2018 and May 16, 2018. These services will include the following positions: City Manager, City Internal Auditor, City Clerk and Presiding Judge of the Municipal Court.

A Request for Proposals (RFP) was issued on March 6, 2018, seeking proposals from qualified consulting firms to assist in the annual evaluation and compensation review of executives appointed by the Mayor and City Council. The City considered proposals for these services from qualified consultants as a combined service or separate services (e.g. Evaluation Development only or Compensation Review only).

The RFP deadline was April 6, 2018 and the City received three responsive proposals. Interviews were

conducted with all three respondents on May 3, 2018, with evaluation and scoring on May 10, 2018. The evaluation committee members included:

- Trey Jacobson, Chief of Staff, Office of Mayor Ron Nirenberg
- Ben Gorzell, Chief Financial Officer, City of San Antonio
- Lori Steward, Human Resources Director, City of San Antonio
- Darren Engh, AVP for Executive Compensation, USAA
- Kathryn Funk-Baxter, VP for Business Affairs, UTSA
- Victor Nivens, Director of Human Resources, HEB

The evaluation of each proposal was based on a total of 100 points: Thirty (30) points were allotted for experience, background, and qualifications; thirty-five (35) points were allotted for the proposed plan; ten (10) points were allotted for Price; ten (10) preference points were allotted for the Small Business Economic Development Advocacy (SBEDA) Program (5 for the SBE Prime Contractor Program Affirmative Procurement Initiative and 5 for the M/WBE Prime Contractor Program Affirmative Procurement Initiative), Local Preference (LLP) Ordinance up to ten (10) points and five (5) points for Veteran-Owned Small Business Preference Program. A summary of the RFP scoring is attached.

The Small Business Economic Development Advocacy (SBEDA) Program, Local Preference Ordinance and Veteran-Owned Small Business Preference Program were applied in the evaluation of responses received for this contract; however, none of the Respondents were eligible.

Based on the evaluation conducted by members of the review panel, Segal Waters Consulting received the top score for both development of evaluations and compensation review.

The term of this contract is for three (3) years, beginning June 15, 2018 and ending June 15, 2021, with the option to renew for two additional one-year periods, subject to and contingent upon funding by City Council.

ISSUE:

Execution of this contract with Segal Waters Consulting will allow for the development of evaluations and compensation review of executives appointed by the Mayor and City Council. The selected consultants will work collaboratively with the Mayor and City Council, members of the Governance Committee and Municipal Court Advisory Committee in evaluation development and compensation review, to include but not limited to the following:

- Development of an annual performance evaluation process and metrics for each position
 - Identify specific performance measures that reflect organizational goals
 - Develop appropriate benchmarks to measure performance, permitting third-party confirmation, where applicable
 - Develop performance evaluation tools and process involving City Council members
- Analyze appropriate at-risk or variable lump-sum pay based on performance results
 - Identify levels of performance accomplishments that warrant reward payouts
 - Develop structures and levels of pay for reward payouts
 - Recommend market supported reward payout structures and levels
- Report including marketplace analysis of current and proposed compensation for each position:
 - Recommended range of salary placement annually

- Consider and report upon national markets, local market, comparable positions and evaluation of jobs' base salary as well as total remuneration to recommend adjustments as appropriate

ALTERNATIVES:

Should this contract not be approved, the development of evaluations and compensation review of executives appointed by the Mayor and City Council would not be completed by an independent third party. Performance evaluations and compensation reviews would be conducted by City Council with support from City staff.

FISCAL IMPACT:

An Ordinance authorizing the execution of a professional services agreement with The Segal Company (Western States) Inc., dba Segal Waters Consulting for the development of evaluations and compensation review of executives appointed by the Mayor and City Council for an amount not to exceed \$279,500. The initial term is three (3) years effective upon award, with two (2) optional, one (1) renewals.

Funds for the first year of the contract are available from the FY 2018 General Fund Budget. Funding for subsequent years is subject to and contingent upon appropriation by City Council as part of the annual budget process.

RECOMMENDATION:

Staff recommends approval of this ordinance to execute a contract with Segal Waters Consulting, beginning June 15, 2018 and terminating on June 15, 2021 with the option to renew for two additional one-year periods, for the development of evaluations and compensation review of executives appointed by the Mayor and City Council.