



DATE: August 21, 2023

TO: Mayor and Members of the City Council

FROM: Stefan Chatwin, City Manager

DEPARTMENT: Human Resources

SUBJECT: CONTRACT AMENDMENT NO. TWO (2) IN THE AMOUNT OF
\$101,000 TO THE AGREEMENT WITH IT'S PERSONNEL
CONSULTING FOR INTERIM HUMAN RESOURCES DIRECTOR
SERVICES

RECOMMENDATION

It is recommended that the City Council adopt the attached resolution authorizing the Mayor to execute Contract Amendment No. Two (CA 2) in the amount of \$101,000 with It's Personnel Consulting, Inc. for Interim Human Resources Director services.

EXECUTIVE SUMMARY

In July 2022, due to staffing shortages, the City entered into a professional services agreement with It's Personnel Consulting, Inc. to provide specialized human resources (HR) services in various functions including recruitment, classification/compensation, benefits administration, leave administration and other HR functions ("Agreement").

A second amendment to the Agreement (CA 2) is now necessary to include additional services to allow It's Personnel Consulting, Inc. to provide a part-time Interim Human Resources Director while the position is being recruited. With CA 2, the revised total contract amount will be \$150,000, which exceeds the City Manager's authority and requires Council approval.

BACKGROUND/ANALYSIS

On July 21, 2022, the City and It's Personnel Consulting, Inc. entered into a professional services Agreement to assist with various Human Resources services including recruitment, classification/compensation, benefits administration, leave administration and other HR functions. These services are provided on an as needed basis up to a maximum Agreement amount of \$20,000.

On May 22, 2023, an amendment to the Agreement was entered into by the City Manager to increase the contract amount based on recent vacancies that occurred in the HR Department to ensure HR services continued. The services continued to be provided on an ad-hoc basis as needed but also included a Senior HR Analyst resource for the more complex and specialized services for an additional amount of \$29,000 increasing the maximum Agreement amount to \$49,000. The City Manager approved the Agreement and the first amendment to the Agreement as they were both within his signing authority under the City's Purchasing Policy.

CA 2 is necessary to include additional services to allow It's Personnel Consulting, Inc. to provide services of a part-time Interim Human Resources Director while the full-time position is being recruited. CA 2 would increase the maximum amount by \$101,000. The Interim HR Director will provide significant experience and skill that is necessary for that position and will be on-site, and work remotely as needed. Some examples of the types of services that will be provided by the HR Director would be to manage the Human Resources Department, work with other Department Heads to fill vacant positions in the City, review job descriptions, etc. Weekly schedule of hours will be established between the City Manager and Interim HR Director. The Interim HR Director rate is \$175 an hour and is limited to a maximum of 500 hours. The Interim HR Director also receives reimbursement for authorized travel costs.

California Environmental Quality Act

Approval of CA 2 is not subject to review under the California Environmental Quality Act (CEQA) pursuant to Public Resources Code Section 21000, et seq. and the CEQA Guidelines (14 Cal. Code Regs. §§ 15000 et. seq.), including without limitation, Public Resources Code section 21065 and California Code of Regulations 15378 as this is not a "project" that may cause a direct, or reasonably foreseeable indirect, physical change in the environment.

FISCAL IMPACT

With the execution of CA 2, the revised contract amount is \$150,000:

Professional Services Contract	\$20,000
Contract Amendment No. 1	\$29,000
Contract Amendment No. 2	<u>\$101,000</u>
Revised Contract Amount	\$150,000

CA 2 in the amount of \$101,000 to the agreement with It's Personnel Consulting will ensure there is sufficient funding to provide on-site Interim Human Resources Director services. Funding is available in the approved budget for CA 2.

CITY COUNCIL VISION, MISSION, AND VALUE/PRIORITY AREA

Staff Empowerment and Operational Excellence

ATTACHMENTS:

Attachment 1 – Resolution

Attachment 2 –Contract Amendment No. Two (2)

Attachment 3 – Agreement