



MEMORANDUM

TO: City Council

FROM: Nicole Valentine, Administrative Services Director
Tashina Ureno, Human Resources Officer

SUBJECT: Approve the Consultant Services Agreement with Baker Tilly for On-Call Accounting and Human Resources Support

DATE: November 22, 2022

SUMMARY OF ACTION:

Approve the Consultant Services Agreement with Baker Tilly for On-Call Accounting and Human Resources Support.

IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:

No costs are associated with awarding the on-call contract. Costs will be incurred for specific projects and services in compliance with the approved budget. Currently, \$75,000 is included in the approved FY 2022-23 budget for Accounting and Human Resources Support Services.

RECOMMENDATION:

Approve the Consultant Services Agreement with Baker Tilly for On-Call Accounting and Human Resources Support.

BACKGROUND:

The Administrative Services and Human Resources Divisions are responsible for the entire financial, accounting, information technology, and human resources operations of the City, including the receipt, disbursement and deposit in the treasury of all City moneys, assistance in the preparation of the City budget, maintenance of all accounting procedures and records, and personnel administration.

On July 27, 2021, the City Council established on-call consultant service agreements in sixteen disciplines to assist Engineering, Planning, and Public Works staff in the delivery of future City projects and services. The use of on-call consultants has been found to be an effective tool in the delivery of City projects and services. The Administrative Services and Human Resources Divisions would like to use a similar model and select a consultant to provide services as needed.

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On August 11, 2022, the Administrative Services Department issued a Request for Proposals (RFP) for Accounting and Human Resources support services to all City departments. Three proposals were received by the RFP closing date of September 22, 2022. The selection process was performed by the City's Administrative Services Director, Human Resources Officer, and Accounting Manager and was based on a set of scoring criteria. The results of that scoring led staff to recommend awarding the City's Accounting and Human Resources support services contract to Baker Tilly (formerly Management Partners). A second consultant, Regional Government Services (RGS), was also selected as a potential consultant, but the agreement is under negotiation and not ready for approval at this time.

ANALYSIS OF ISSUES:

Awarding contracts for Accounting and Human Resources support services to Baker Tilly allows greater project flexibility and increased access to expert resources when the need for additional support arises.

The City is in the process of completing an RFP for Enterprise Resource Planning (ERP) System and Implementation Services. This project will update the entire Accounting and Human Resources systems and will be a considerable undertaking for each division. Baker Tilly will assist with implementation and continued divisional operations during this vital transition.

The selection team is recommending approval of a three-year consultant service agreement with Baker Tilly, formally Management Partners, with the possibility of two additional one-year extensions based on satisfactory performance. The City selection team evaluated the firm's proposal based on several criteria including: thoroughness and understanding of tasks, background and experience in organizational analysis evaluation, firm's expertise and overall experience of personnel assigned to the work, time required to accomplish the requested services, responsiveness to requirements of the project, public sector experience in a municipal setting conducting similar studies, and costs.

The Services Requested included assistance with the following:

- Updating the Purchasing Policies & Procedures;
- Planning and work process forecasting related to the ERP update;
- Human Resources support services;
- Review of current budget policies and suggested changes, to reflect best practices;
- Review of existing reserve policies and providing recommended changes or additions to reflect financial prudent practices;
- Budget Financial Forecast Modeling; and
- Other expert advice, as needed.

Effective October 1, 2022, Management Partners became a part of Baker Tilly. Management Partners has previously assisted the City with Accounting and Human

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Resources support and has a strong understanding of how the City's departments function. They rated high in regard to understanding the tasks, Accounting and Human Resources support, and Public Sector experience. Baker Tilly's proposal includes time and materials fee schedules.

RGS was also selected as a potential consultant based on its proposal and the services offered. However, certain essential contract terms have not been agreed upon at this time. If those terms are settled as recommended by the City Attorney, staff will return to Council with a request to approve an agreement with RGS.

On-Call Use and Duration

With on-call agreements in place, staff are able to utilize contract resources when support needs arise. Project specific request for proposals are requested by staff from the consultants. Staff will evaluate the proposed work plans and cost and then select the proposal that best meets the City's needs. If the proposal cost is within the City Council approved project or service budget, the City will issue a purchase order for this work and provide direction to the consultant to proceed with specific support activities.

ALTERNATIVES:

The following alternatives are provided for the Council's consideration:

1. Approve the Consultant Services Agreement with Baker Tilly for On-Call Accounting and Human Resources Support;
2. Do not approve the Consultant Services Agreement; or
3. Provide other direction to staff.

ADVANTAGES:

Approving the proposed Consultant Services Agreement and on-call service process will allow the City to access additional Accounting and Human Resources support services as these needs arise. The agreement will provide access to qualified support for circumstances beyond the City's control to ensure these vital administrative functions continue without interruption. The on-call consultant will develop a better understanding of the City's procedures, practices, and expectations over time, which will enhance efficiency.

DISADVANTAGES:

No disadvantages have been identified.

ENVIRONMENTAL REVIEW:

No environmental review is required for this item.

PUBLIC NOTIFICATION AND COMMENTS:

The Agenda was posted at City Hall and on the City's website in accordance with Government Code Section 54954.2.

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Attachments:

1. Proposed Consultant Services Agreement with Baker Tilly
2. Request for Proposals (RFP) for Accounting and Human Resources support services