



# AGENDA REPORT

Finance Department

<b>DATE:</b>	May 23, 2023
<b>TO:</b>	Mayor Martinez and Members of the City Council
<b>FROM:</b>	Shasa Curl, City Manager Nickie Mastay, Deputy City Manager-Internal Services Sharrone Taylor, Interim Director of Human Resources
<b>Subject:</b>	Contract with Raftelis to Provide a Workforce Analysis
<b>FINANCIAL IMPACT:</b>	The proposed expenditure will not exceed \$200,000. There will need to be an appropriation from the General Fund. Human Resources Department budget (01181016-400201).
<b>PREVIOUS COUNCIL ACTION:</b>	N/A
<b>STATEMENT OF THE ISSUE:</b>	City staff request both the approval of a contract with Raftelis Financial Consultants, Inc. ("Raftelis") to provide a Workforce Analysis, and an appropriation of the necessary funding.
<b>RECOMMENDED ACTION:</b>	<b>APPROVE</b> a contract with Raftelis Financial Consultants, Inc. to provide a workforce analysis, in alignment with a state audit recommendation, in an amount not to exceed \$200,000, with a term beginning June 1, 2023, and ending March 31, 2024; and <b>APPROPRIATE</b> the necessary funding – Human Resources Department (Nickie Mastay 510-620-6609/Sharrone Taylor 510-620-6803). <b>This item was continued from the May 2, 2023, and May 16, 2023, meetings.</b>

## DISCUSSION:

On April 4, 2022, the City of Richmond was notified by the State Auditor that they would be conducting an audit of the City as approved by the Joint Legislative Audit Committee on June 30, 2021. The State Auditor's local audit program identifies and supports local government agencies that might be at high risk based upon analysis of a City's audited financial statements. Richmond's risk assessment began in February 2021 based upon the City's June 2020 financial statements.

The audit was initiated in May 2022, and was completed and published on November 10, 2022. At the conclusion of the audit, the State Auditor formalized eleven (11) recommendations to the City (Attachment 1). State Auditor recommendation number 6 stated:

*To mitigate the costs of increasing salaries, the City should perform a workforce analysis by June 2024. Based on the results of the analysis, the City Council should consider eliminating vacant positions that it deems no longer necessary. Additionally, the City should assess its need for each vacant position before it seeks to fill the positions and eliminate any positions that it does not need.*

### Request for Proposal

On February 17, 2023, the City Manager's Office released a Request for Proposals (RFP) to solicit qualified professionals to perform a workforce analysis and to develop a plan that includes succession planning and recommendations not only for vacant positions, but for the proper position for succession planning to be effective for the City in the coming years (Attachment 2).

Key aspects of the scope of services included:

- **Reassess the Size of the City Staff:** Meet with Department Directors via the City Manager and Human Resources Director to assess staffing needs to determine if the department needs fewer additional staff than their vacancies would suggest.
- **Succession Planning and Vacancies:** The City would like to take a measured approach to filling vacancies. By taking a measured approach to filling vacancies, this will allow the City time to determine whether any departments, including Police and Fire, should or could operate with a smaller staff. While taking a measured approach to filling vacancies there needs to be an analysis of potential retirements to determine proper succession planning.
- **Department Analysis:** Facilitate a variety of meetings between/among Department Directors to determine current workflow with the current staff in each division of each department to determine if the department is operating at optimum accuracy and efficiency. Produce a written document that summarizes this analysis with recommendations on workflow and staffing.

The RFP was posted on the City's BidsOnline system where 254 vendors were notified, and 20 vendors downloaded copies of the RFP (Attachment 3). On March 17, 2023, two electronic proposals were received. The proposals were reviewed by City staff members and each vendor was found to be compliant. Subsequent interviews were held with each vendor after which final scores were assigned (Attachment 4).

<b>RFP Rating Matrix 4-11-23</b>	<b>Rater 1</b>	<b>Rater 2</b>	<b>Rater 3</b>	<b>Rater 4</b>	<b>TOTAL</b>
Koff & Associates	76	95	81	75	<b>327</b>
Raftelis	70	78	77	79	<b>304</b>

<b>Interview Rating Matrix 4-24-23</b>	<b>Rater 1</b>	<b>Rater 2</b>	<b>Rater 3</b>	<b>Rater 4</b>	<b>TOTAL</b>
Koff & Associates	76	50	85	83	<b>294</b>
Raftelis	85	70	90	90	<b>335</b>

<b>TOTAL SCORES</b>	<b>Rater 1</b>	<b>Rater 2</b>	<b>Rater 3</b>	<b>Rater 4</b>	<b>TOTAL</b>	<b>Rank</b>
Koff & Associates	152	145	166	158	<b>621</b>	2
Raftelis	155	148	167	169	<b>639</b>	1

City staff is requesting approval of a contract with Raftelis to provide a workforce analysis in an amount not-to exceed \$200,000, with a term beginning June 1, 2023, and ending March 31, 2024, and to appropriate the necessary funding.

**DOCUMENTS ATTACHED:**

- Attachment 1 – State Audit Report – November 2022
- Attachment 2 – Request for Proposal
- Attachment 3 – Project Report
- Attachment 4 – Rating Matrix
- Attachment 5 – Proposed Contract