



Report to City Council

TO: Mayor and City Council

FROM: Robert Cardenas, Human Resources Director

AGENDA DATE: November 4, 2025

TITLE: PROFESSIONAL SERVICES AGREEMENT FOR CITYWIDE CLASSIFICATION AND COMPENSATION STUDY (REPORT OF: HUMAN RESOURCES) (DISTRICT: NOT APPLICABLE)

TITLE SUMMARY: Professional Services Agreement For Citywide Classification And Compensation Study

DISTRICT: Not Applicable

Recommendation(s)

That the City Council:

1. Approve and award the Agreement for Professional Services for Classification and Compensation Study Consultant Services with Gallagher Benefit Services, Inc., 2121 N. California Boulevard, Suite 350, to provide classification and compensation study consultant services;
2. Authorize the City Manager, or their designee, to execute the Agreement for Professional Services for Classification and Compensation Study Consultant Services with Gallagher Benefit Services, Inc., in the amount of \$332,200, subject to the approval of the City Attorney; and
3. Authorize the issuance of a purchase order for Gallagher Benefit Services, Inc., in an amount of \$332,200; and
4. Authorize the City Manager or designee to execute subsequent amendments to the Agreement with Gallagher Benefit Services, Inc., including the authority to authorize associated purchase orders in accordance with the Agreement's terms, subject to the approval of the City Attorney and within the budgetary amounts

previously approved by Council as part of the adopted and/or amended budget process.

SUMMARY

This report recommends the approval and award of a one-year agreement with Gallagher Benefit Services, Inc. (Gallagher) for classification and compensation study consultant services, as discussed with the labor units during the Memorandum of Understanding negotiations earlier this year.

DISCUSSION

A classification and compensation study is typically conducted every five years to assist in simplifying and updating job classification structures, evaluating market and internal equity, identifying career progression paths, and addressing recruitment and retention challenges. Given that it has been more than five years since the City's last formal study, it is critical to conduct a new one to ensure the City's compensation practices remain aligned with current market conditions and organizational needs.

On July 15, 2025, the City issued a Request for Proposals (RFP) solicitation for classification and compensation study services. The RFP was advertised widely on the City's online bid portal, OpenGov, to ensure an open and competitive process. Proposal responses were due on August 8, 2025. A total of ten (10) proposals were received in response to the solicitation. An evaluation committee consisting of key City staff members (including two representatives from the Human Resources Department, two representative from the International Brotherhood of Electrical Workers - IBEW 47, two representatives from the Moreno Valley Management Association, and one representative from the Moreno Valley Confidential Management Employees association), familiarized and experienced in the requirements of the RFP, evaluated the submittals based on specific criteria and scoring parameters stated in the RFP. Subsequently, individual interviews were held with the three (3) finalists:

Proponent	Cost
1. Gallagher Benefit Services, Inc.	\$332,200.00
2. Public Sector Personnel Consultants	\$142,000.00
3. CPS HR Consulting	\$571,726.25

According to the City's Municipal Code requirements for professional services procurement, and after a thorough evaluation of all proposals, it was determined that Gallagher Benefit Services, Inc., could fulfill the City's requirements for classification and compensation study consultant services.

The City intends to enter into a one-year agreement with Gallagher commencing on December 1, 2025, and concluding on November 30, 2026.

Gallagher's public sector human resources and recruitment services practice was formerly known as Koff & Associates and consists of an experienced team of consultants

that has been providing predominantly classification, compensation, and recruiting services to cities, counties, special districts, courts, educational institutions, and other public agencies for over 40 years. Gallagher has achieved a reputation for working successfully with management, employees, employee representation, and governing bodies.

ALTERNATIVES

1. Approve and authorize the recommended actions presented in this staff report. Staff recommends this alternative as this will allow for classification and compensation services.
2. Do not approve and authorize the recommended actions presented in this staff report. Staff does not recommend this alternative, which could result in an extended delay and cause a potential disruption in the classification and compensation services.

FISCAL IMPACT

Funds for the classification and compensation consultant services are incorporated in the City Council approved FY 2025/26 & 2026/27 Operating Budget. At this time, no budget adjustments are being requested.

NOTIFICATION

Publication of the agenda.

PREPARATION OF STAFF REPORT

Prepared By:
Natalie Potter
Human Resources Division Manager

Department Head Approval:
Robert Cardenas
Human Resources Director

CITY COUNCIL GOALS

Community Image, Neighborhood Pride and Cleanliness: Promote a sense of community pride and foster an excellent image about our City by developing and executing programs which will result in quality development, enhanced neighborhood preservation efforts, including home rehabilitation and neighborhood restoration.

CITY COUNCIL STRATEGIC PRIORITIES

1. Economic Development
2. Public Safety
3. Library
4. Infrastructure
5. Beautification, Community Engagement, and Quality of Life
6. Youth Programs

Report Approval Details

Document Title:	STAFFREPORT_HR_PROFESSIONAL_AGREEMENT_CLASSIFICATION_AND_COMPENSATION_STUDY-OCTOBER 2025.docx
Attachments:	
Final Approval Date:	Oct 27, 2025

This report and all of its attachments were approved and signed as outlined below:

Robert Cardenas

Natalia Lopez

No Signature - Task assigned to Dena Heald was completed by workflow administrator Patty Rodriguez

Dena Heald

Launa Jimenez

Brian Mohan

Patty Rodriguez