
CITY COUNCIL AGENDA ITEM

TO: Mayor & City Council

DATE: June 13, 2012

FROM: John McDonough, City Manager

AGENDA ITEM: Consider Options Regarding Human Resources Services

MEETING DATE: For Submission onto the June 19, 2012, City Council Regular Meeting Agenda

BACKGROUND INFORMATION: (Attach additional pages if necessary)

See attached:

Memorandum
Materials

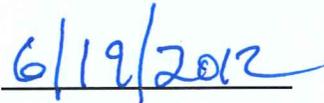
APPROVAL BY CITY MANAGER: _____



APPROVED

_____ NOT APPROVED

PLACED ON AGENDA FOR: _____



CITY ATTORNEY APPROVAL REQUIRED: () YES () NO

CITY ATTORNEY APPROVAL: _____



REMARKS:



TO: Mayor and City Council

FROM: John McDonough, City Manager

DATE: June 18, 2012 for submission on the Agenda of the June 19, 2012 City Council Meeting

ITEM: Consideration of Options for Human Resources Services to City Employees

Background

The City issued a Request for Proposals on May 8, 2012 to obtain the services of a firm to provide Human Resources Services for City employees.

Discussion

After receipt and evaluation of the submitted proposal, staff looked for an alternative solution to provide a best value service to the City and its employees. The attached Evaluation Memorandum summarizes the results of the evaluation of the submitted proposal.

The City's current provider for Human Resource Services, FlexHR, did not respond to the RFP for Human Resources Services. Instead, they submitted a letter expressing their desire to provide services under the pricing they submitted in February 2012. Under the terms of the RFP, this is a non-responsive proposal and was not evaluated. However, for comparative purposes, this pricing is included in the City's overall analysis.

HR Cost Comparison

Option	Staffing	Price	Travel and Training	ADP	Total
Bidder A	3 FTE, 1960 hours each	\$ 346,038.00	\$ 15,000.00	\$ 47,608.00	\$ 408,646.00
City Public Safety	2.5 FTE, 2080 hours each	\$ 246,497.50	\$ 15,000.00	\$ 47,608.00	\$ 309,105.50
Flex HR	2 FTE, 2080 hours each	\$ 385,356.00	\$ 15,000.00	n/a	\$ 400,356.00

NOTE: All prices include \$15,000 training and travel. ADP represents time, attendance, payroll and W2 processing; includes a discount for two months free.

Recommendation

Given the sensitive nature of information handled by Human Resources staff, and that the primary customers of this unit are public safety professionals, this support service is appropriately housed under the public safety function. After careful analysis, staff recommends the City add 2.5 FTE (1.0 FTE Human Resources Director, 1.0 Employee Relations Manager and 0.5 FTE Human Resources Generalist/Payroll) effective July 1, 2012.

By assuming these positions, the City is estimated to realize a cost savings of \$99,540.50 when compared to the proposal from the bidder. Funds to cover this cost are already included in the FY2013 Proposed Budget, slated for adoption at the June 19, 2012 Council meeting. A pro rata share of the total cost will be charged to the relevant work units with staff that receive services from the Department, including Sandy Springs Hospitality and Tourism, a component unit of the City for accounting purposes.

Attachment

1. Evaluation Memorandum

EVALUATION MEMORANDUM

Human Resources Services
HR-FY13-063
City of Sandy Springs, Georgia

1. **Introduction and Summary.** The City of Sandy Springs (“City”) issued Human Resources Services RFP, HR-FY13-063, on May 8, 2012 (“RFP”). The purpose of the RFP was to solicit proposals for a firm to provide Human Resources services to the City’s employees, primarily in the Public Safety service departments. The RFP contained a detailed Statement of Work (“SOW”), which outlined the services deemed necessary and essential to the City for this procurement.

This procurement was conducted using the Performance Price Trade-off procedures described in Section M of the solicitation. As the Chairman of the Source Selection Evaluation Team (“SSET”) for this acquisition, I carefully considered the findings of the Capabilities and Approaches, Performance Confidence and Cost/Price evaluation panels and, in conjunction with the panel chairs, have determined that none of the submitted proposals represent an overall best value to satisfy the City of Sandy Spring’s General Government Services – Human Resources services requirements. This decision is based on the criteria established in Section M of the solicitation and the panels’ assessments of: a) the offeror’s capability to provide the subject services; b) the SSET’s confidence in the offeror’s ability to perform the requirements; and c) the prices proposed by the offeror.

2. **Evaluation Process.** Section M of the solicitation sets forth the following areas for evaluation: technical acceptability, performance confidence, and cost/price. An Offeror’s Capabilities and Approaches Proposal was evaluated for technical acceptability against both General (Factor 1) and Task Specific (Factor 2) requirements and assigned a rating of “Acceptable”, “Reasonably Susceptible of being made Acceptable” or “Unacceptable”. An offeror’s Performance Confidence Proposal was evaluated based on: a) the description of past and present performance provided by the Offeror; b) questionnaire responses provided by the Offeror’s references; and c) data independently obtained from other sources. The Offeror’s ability to perform the effort described in the solicitation was assessed and the proposal was assigned an overall performance confidence rating of “Substantial”, “Satisfactory”, “Limited” or “No” confidence. An Offeror’s Cost/Price Proposal was evaluated for reasonableness and realism and ranked based on the original submission cost/price and Final Proposal Revisions cost/price, as applicable.
3. **Best Value Award.** Under the Performance Price Trade-off procedure, if the lowest priced evaluated technically acceptable proposal is judged to have a “Substantial Confidence” performance confidence assessment, that offer represents the best value for the City and receives the SSET’s award recommendation. If the lowest priced offer is judged to have a performance confidence assessment of “Satisfactory

Confidence” or lower, the SSET bases its award recommendation on an integrated best value assessment of performance confidence and cost/price.

4. **Proposal Receipt.** General Government Services proposals were received on Friday, June 8, 2012 from one (1) offeror: *Corporate Temps, Inc.* (“Offeror”). The proposal was examined for compliance with the solicitation submittal instructions and compliance issues were documented.

5. **Initial Evaluation and Competitive Range Decisions.** The Capabilities and Approaches, Performance Confidence and Cost/Price panels completed the initial evaluation of proposals received from the Offeror and reported their findings on June 15, 2012. Based on an integrated assessment of the panels’ findings, the SSET determined that the submitted proposal did not have reasonable expectation of receiving an award.
 - a. Corporate Temps – This Offeror’s Capabilities and Approaches Proposal presented an unacceptable approach to perform the General Government Services – Human Resources requirements. Its Capabilities and Approaches Proposal responded unsatisfactorily to the General and Task Specific requirements and was rated “Unacceptable.” The Offeror’s Performance Confidence Proposal presented evidence of its ability to provide a small portion of the requirements of the services described in the SOW and was assigned an overall “Satisfactory” performance confidence assessment with respect to those areas of services; however, because other necessary and essential requirements of the SOW were not addressed in the Offeror’s Performance Confidence Proposal, the Offeror was given an overall rating of “limited” confidence to perform all requirements of the RFP, as stated in the SOW. The Offeror’s Cost/Price Proposal was judged to be reasonable and realistic.

6. **Analyses.** The following paragraphs show the Performance Price Trade-off analyses that resulted in the selection decision.
 - a. Performance Price Trade-off Analysis.

Human Resources

Offeror	Technical Acceptability	Cost (base-year TO price + ADP)	Performance Confidence
Corporate Temps, Inc.	Unacceptable	\$408,646.00	Limited Confidence

7. **Recommendation.** In summary, based on the assessment of proposals described herein, it is the SSET’s conclusion that the submitted proposal does not represent the best value to the City of Sandy Springs and should not be awarded a contract for Human Resources services.