



REPORT TO THE CITY COUNCIL

DATE: Regular Meeting of October 8, 2024

TO: Mayor and Members of the City Council

SUBMITTED BY: Dante Hall, City Manager

SUBJECT: Consideration And Proposed Adoption Of A Resolution Authorizing The City Manager To Execute Amendment No. 3 To The Professional Services Agreement With Regional Government Services (RGS) For Human Resources Assistance In The Amount Not To Exceed \$100,000

RECOMMENDED ACTION:

Staff recommends City Council adopt the attached Resolution and authorize the City Manager to execute Amendment No. 3 in the amount of \$100,000 to the Professional Services Agreement with Regional Government Services (RGS) for human resources assistance.

BACKGROUND:

The Hercules Human Resources Division (HR Division) is responsible for a wide range of functions, which include recruitments, managing employee relations, benefits administration, FMLA/medical leaves of absence, performance management and training, and ensuring compliance with labor laws and regulations. The HR Division consists of a Human Resources Manager, who was hired in July 2024, and a part-time Human Resources Administrative Assistant. The part-time Administrative Assistant position has been vacant since July 2024. The Human Resources Administrator position, which was replaced with the Human Resources Manager position, was vacant from November 2023 through June 2024.

On January 17, 2023, the City Manager executed a contract with RGS for an amount not to exceed \$50,000 to assist with some immediate human resources-related needs. As part of the FY 23-24 Budget adoption, the Council authorized a \$65,000 amendment to the RGS contract to continue addressing needs in the HR Division for a total of \$115,000

over two fiscal years (Amendment No. 1). On February 13, 2024, the Council authorized the City Manager to execute a second amendment to the RGS contract for HR support, which increased the Not To Exceed (NTE) amount by \$115,000 (Amendment No. 2).

RGS is a JPA which was established in 2002 to provide organizational services to California public agencies. RGS has extensive human resources experience in California public agencies and provides a variety of human resources consulting services.

ANALYSIS:

The City continues to experience staffing shortages within the HR Division and wishes to expand the scope of the Professional Services Agreement that was executed with RGS. RGS will continue to provide immediate ongoing Human Resources Management consulting services, which include ad hoc consultation and initiation of work on identified priority projects, including but not limited to:

- Provide professional human resources expertise regarding best practice to facilitate the effective and compliant administration of City's human resources policies and practices.
- Analyze a variety of information and recommend appropriate management action; provide written documentation of analysis and recommendations as needed.
- Draft specific documentation relevant to resolving a range of personnel issues; facilitate meetings and coach supervisors on conducting sensitive personnel conversations.
- Draft required management communications to employees and facilitate effective interpersonal skills and relationship building.
- Develop and/or update human resources administrative policies, procedures, forms and templates as needed to develop an effective and compliant system of human resources management practices and personnel transactions.
- Confer with staff as requested to obtain input and/or feedback regarding policy and procedure recommendations, or to obtain information relevant to the resolution of personnel issues.

Staff is recommending a third amendment to the agreement with RGS for an additional \$100,000 to provide much-needed assistance to the HR Division which is critical to maintaining operational efficiency.

FISCAL IMPACT:

The estimated fiscal impact of contract amendment No. 3 for a NTE increase in the amount of \$100,000 is approximately \$40,000. This cost is justified due to the vacancy in the Human Resources Division, specifically the part-time Human Resources Administrative Assistant position, which has been vacant since July 2024. A combination of salary savings and other costs are being realized through the current

vacant position at approximately \$42,000. Based on the estimated timeframe to fill the vacancy it is estimated that the cost savings will be sufficient to offset the increased cost of the contract.

This vacancy, alongside the limited staffing in the division, has resulted in significant gaps in key HR functions, such as compliance, employee relations, and performance management. The City has faced growing demands on HR-related services, particularly in managing ongoing recruitments, benefits administration, legal compliance, and employee support, which are critical to maintaining operational efficiency.

The \$100,000 allocated in this amendment will ensure that the City can address these immediate needs by leveraging the expertise of RGS. RGS has proven to be a valuable partner in supporting the City's human resources-related needs through previous contract extensions, and this extension is essential to prevent further disruptions to HR operations.

ATTACHMENTS:

1. Resolution RGS Contract Amendment No. 3
2. Contract with RGS for HR Services
3. Amendment No. 1 to RGS Human Resources Agreement
4. Adopted FY 2023-24 Budget – RGS Services
5. Amendment No. 2 to RGS Human Resources Agreement
6. Amendment No. 3 to RGS Human Resources Agreement