

COUNCIL ACTION FORM

SUBJECT: PALMER GROUP CONTRACTUAL SERVICES FOR HR STAFFING

BACKGROUND:

The City has contracted with the Palmer Group since November 2016 to provide supplemental staffing for the City's Human Resources Department. During the HR Department's staffing transition while permanent staff was recruited, Palmer Group provided two human resource professionals to work for the City on a full-time, temporary basis. Those two individuals provided needed HR expertise and allowed for the City's HR department to continue to support the City's HR needs while searching for capable individuals to permanently fill the vacancies.

Through the Civil Service recruitment process, one of the two professionals from Palmer Group was ultimately appointed to a permanent position with the City. Two additional positions need to be filled to bring HR back to full staffing. Those positions will hopefully be filled within the next 90 days. In the meantime, the workload in the Human Resources Department necessitates additional contracted staff time until the permanent hires are in place.

On May 22, 2017, City Council authorized an increase in authorized funding to the Palmer Group from \$49,460 to \$80,000. It is now recommended that this amount be increased by \$48,000 to meet temporary staffing needs for four more months. This will cover the remaining time until the permanent positions are filled, and will also allow for a degree of overlap while the new permanent staff are trained in their new duties.

Savings from two fiscal years will be tapped to cover this expense. HR Budget savings from 2016/17 will be carried forward when the 2017/18 Budget is adjusted in September, and any expense beyond that amount will be covered from savings elsewhere in the FY 2016/17 Budget.

ALTERNATIVES

1. Authorize staff to increase the purchase order to Palmer Group for HR staffing services in an amount-not-to-exceed \$128,000.
2. Authorize staff to pay expenses incurred to date with the Palmer Group, but do not authorize additional expenses to be incurred.
3. Direct staff to seek other options for providing HR support to departments.

CITY MANAGER'S RECOMMENDED ACTION:

The proposed increase to the Palmer Group's employment services contract will allow for a continuation of critical Human Resource Department services to other City departments until the final permanent staff members are appointed. This will also allow a cushion of time for the newly hired staff to become trained.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as described above.