Midpeninsula Regional
Open Space District

PROCUREMENT AGENDA ITEM

R-26-167
Meeting 26-27
November 10, 2026

AGENDA ITEM 4

AGENDA ITEM

Award of Contract with Gallagher Benefit Services, Inc., to Provide Classification and Compensation Services

GENERAL MANAGER'S RECOMMENDATION

Authorize the General Manager to enter into an on-call professional services agreement with Gallagher Benefit Services, Inc., (Gallagher) to provide classification and compensation services over a three-year period for an amount not to exceed $250,000.

DISCUSSION

Board Policy 2.03, *Employee Compensation Guiding Principles*, states that the General Manager may periodically direct that a compensation study be performed for specific departments, work groups or classifications to confirm that the agency retains competitive salaries as compared to the comparable labor market with the intent of managing potential "drift". Additionally, the District is exploring the potential for new career ladders within various classification families to further enhance recruitment and retention. These pathways will align with business needs and clarify the advancement opportunities as employees gain additional experience, skills, and expertise to perform more complex, independent work**.**

On April 20, 2026, a Request for Proposals and Qualifications (RFPQ) was released on Bid Sync soliciting the services of a qualified firm to (over a multiple year contract term) (1) conduct periodic classification and/or compensation studies for select classifications and (2) evaluate classification families to identify opportunities for new career ladders. The RFPQ also discussed an optional task to identify suitable succession planning strategies. Gallagher was selected from seven proposers as the most qualified consultant due to their vast experience, in-depth knowledge, and understanding of classification and compensation standards for comparable public agencies in the region.

FISCAL IMPACT

The current fiscal year budget contains:

☐ sufficient funds.

☒ insufficient funds; the next quarterly budget update will include a reallocation of unspent funds from other budgets to cover for this expenditure.

☐ insufficient funds; approval of this item requires a fiscal year budget augmentation.

☒ future fiscal year budgets will include additional funds to complete the contracted work.

Measure AA

☒ No, this contract is not part of a Measure AA project.

☐ Yes, this contract is part of a Measure AA project.

☐ This Measure AA portfolio contains a funding gap anticipated to be filled through a combination of future portfolio reallocation requests, grants, partnership funding, interest income allocations, value engineering, and Fund 40 General Fund Capital monies.

There is insufficient funding in the current fiscal year budget ($52,000) to cover the cost of the recommendation, with approximately $97,917 expected to be spent during the current fiscal year. The RFPQ was initiated after the development of the fiscal year budget and concluded after the fiscal year budget was approved. Due to the final proposal rates being higher than the preliminary planning estimates used during budget development, the adopted budget does not include adequate funding for this contract. If approved, funding will be requested during the next quarterly budget amendment process and likely covered with savings elsewhere. Funds for future year costs will be recommended in future fiscal year budgets as part of the annual Budget and Action Plan process. The current and future fiscal year spend is estimated to be as follows:

Contract Amount by FY	FY27	FY28	FY29	Total
Base Contract Amount	$97,917	$55,917	$96,167	$250,000

PROCUREMENT PROCESS AND SELECTION

On April 20, 2026, a Request for Proposals and Qualifications (RFPQ) was released on Bid Sync. To conduct a fair and equitable comparison of costs, a scope of work was assumed as part of the RFPQ that included (1) periodic classification and/or compensation studies for select classifications and (2) evaluation of classification families to identify opportunities for new career ladders. Based on this RFPQ, seven proposals were received by the deadline of May 18, 2026, as follows:

Consultant	Location	Proposed Fee Annually	3-year Fee
Ascension Human Capital Management	Concord, North Carolina	$53,000	$159,000, plus travel expenses.
Empower Learning Collective	Homeland, California	$135/hour but no estimate of hours provided.	
Gallagher	Walnut Creek, California	$83,333	$250,000, plus travel expenses.
isolved	Charlotte, North Carolina	$48,000	$144,000
MGT	Tampa, Florida	$25,333	$76,000, includes travel for two consultants for on onsite visit.
Segal	San Francisco, California	$84,000	$252,000, plus travel expenses.
Transformance	Corona, California	$73,906	$221,718, plus travel expenses.

Pursuant to the *Board Policy 3.03, Public Contract Bidding, Vendor and Professional Consultant Selection, and Purchasing Policy*, professional consultant services are of a technical and professional nature, and, due to the nature of the services to be provided, do not readily fall within the "low bid" competitive bidding process. Accordingly, the District's selection was based on the overall value of the proposed services, rather than cost alone. The District evaluated and ranked the proposals based on criteria, including quality and responsiveness of the proposal, proposed implementation approach, relevant experience, and expertise. Three firms were determined to be highly competitive and invited to interview with the District. Following an evaluation of the proposals and interviews, the District determined that Gallagher offered the strongest overall combination of qualifications, relevant experience, project team expertise, and approach to meeting the District's needs. Gallagher has over 40 years of experience providing an array of strategic services related to classification and compensation studies, pay equity analysis, and organizational structure design.

Following the selection, District staff refined the classification work and schedule based on the business needs of the District over the coming three years. Based on these conversations, Gallagher provided a rough estimate of the variable classification work using the same fee structures as what was used for the original proposal fee, resulting in the recommended contract of $250,000 over three years.

PRIOR BOARD AND COMMITTEE REVIEW

None

PUBLIC NOTICE

Public notice was provided as required by the Brown Act.

CEQA COMPLIANCE

This item is not a project subject to the California Environmental Quality Act.

NEXT STEPS

Upon Board authorization, the General Manager will execute the agreement with Gallaher as described in this report.

Responsible Department Head:
Stefan Jaskulak, Chief Financial Officer/Director of Administrative Services
Candice Basnight, Human Resources Manager

Prepared by/Contact person:
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