



City Council Staff Report

From: City Manager

Report Type: CONSENT CALENDAR

Lead Department: Human Resources

Meeting Date: April 7, 2025

Report #:2503-4356

TITLE

Approval of Council Appointed Officers (CAO) Committee Recommendation to Approve and Authorize the CAO Committee Chair to Negotiate a New Professional Services Contract with Municipal Resources Group (MRG) for Council Appointed Officer Performance Evaluation Services and to Approve and Authorize City Manager or Designee to Execute Negotiated Contract in an Amount Not to Exceed \$208,500 for a Period of up to 3 Years– CEQA Status: Not A Project

RECOMMENDATION

1. Approve the CAO Committee recommendation to approve and authorize the CAO chair negotiate a performance evaluation services contract with the existing consultant and facilitator, Municipal Resources Group (MRG) based on the MRG proposal (Attachment A) to provide services to facilitate the CAO performance evaluations process; and
2. Approve and Authorize the City Manager or their designee to execute a new professional services contract with MRG to provide facilitation services for the CAO performance evaluations process, for a term of up to 3 years and a total not-to-exceed up to \$208,500.

BACKGROUND

The Council Appointed Officers (CAO) Committee is charged with the performance management process oversight of the four Council Appointed Officers positions. The Committee met on November 26, 2024¹ to review and debrief regarding the 2023-2024 CAO performance evaluation process, as well as to discuss the next steps for CAO performance evaluation services contract.

¹ Council Appointed Officers Committee, 11/26/24,
<https://cityofpaloalto.primegov.com/Portal/Meeting?meetingTemplateId=16465>

ANALYSIS

On November 26, the CAO Committee discussed the improvements implemented in the FY 2023-2024 CAO performance evaluation process and the effort Council accomplished with the current MRG consultant. Substantive changes to the performance evaluation process were implemented during last year's process, including refining the Council questions of each CAO, and more thorough discussions with the CAOs.

There will be additional follow-up in the next evaluation process to incorporate performance indicators and to integrate the Council questions in alignment with the CAO self-evaluation prompts. The CAO Committee discussed the timeline and a suggestion for the Council interviews to be scheduled ahead of the Council break or completed no later than the Council break in order to have the CAO evaluation process completed in September.

The CAO Committee strongly supported continuing with a facilitator and unanimously recommended the following:

- a) Chair Lauing discuss with the existing consultant if the current facilitator is available for the next cycle. If so, negotiate a Council Appointed Officers performance evaluation services contract with the existing consultant and facilitator.*
- b) If not, return to the Council Appointed Officers Committee to discuss options including other facilitators with the existing consultant or other consultants.*

Since the Committee meeting, it has been confirmed that the existing facilitator is available for the next performance evaluation process to be started in May 2025. Attached is the MRG proposal for performance evaluation services for the new term effective July 1, 2025. If Council approves the recommendation to approve the proposal, the new contract with MRG will be processed and scheduled on a Council agenda for approval this spring 2025.

FISCAL/RESOURCE IMPACT

The authorization requested is for the CAO performance evaluation professional services contract with fees for a total not to exceed of up to \$208,500 over a three-year period, to be funded from the Council budget fund, subject to the annual appropriation of funds through the budget.

STAKEHOLDER ENGAGEMENT

This has been coordinated with the prior and current Committee Chairs, the professional services provider, and internal stakeholders. Public comment was made available during the Committee deliberations.

ENVIRONMENTAL REVIEW

Council action on this item is not a project as defined by CEQA because approval of the negotiation and execution of a professional services contract for facilitating CAO performance evaluations is a continuing administrative activity. CEQA Guidelines section 15378(b)(2).

ATTACHMENTS

Attachment A: Municipal Resources Group Proposal, CAO Evaluation

APPROVED BY:

Sandra Blanch, Human Resources Director