



Human Resources

February 23, 2023

Rapid City Common Council
300 Sixth Street
Rapid City, South Dakota 57701

Dear Council Members:

Per the signed contract with the American Federation of State, County, Municipal Employees (AFSCME) local 1031, Council 65, the HR team submitted a request for proposal (RFP) for a wage study for our AFSCME bargaining unit employees. With the uncertainty of the hiring market, competitive wages and benefits are key to attracting and retaining talented individuals to serve our citizens.

Two consulting firms submitted proposals in response to the RFP. That number is the same as the 2022 Non-Union wage study. There are several factors contributing to this continued low response, but primarily it is due to firms stating they are unable to commit to completing a study for us in 2023.

The choice was to pursue an agreement with Gallagher Consulting, a Minnesota based company, that has conducting public sector compensation studies since 1981. Some of the aspects that set Gallagher apart were: orientation sessions and employee involvement, surveying benefits in addition to pay, providing training for HR staff and City leadership on managing and maintaining the delivered system, a slightly lower bid and assistance in developing and communicating a full compensation philosophy for the AFSCME employees.

My request today is to authorize the Mayor and Finance Director to sign a contract with Gallagher Consulting for \$83,750 to perform the AFSCME employees wage study in 2023.

Please contact me if you have any questions or clarifications. Thank you for your time and consideration.

Nick Stroot
HR Director
City of Rapid City