

Council Meeting of
May 23, 2006

Honorable Mayor and Members
of the City Council
City Hall
Torrance, CA

Members of the Council:

SUBJECT: Recommendation to approve a change order to the existing Purchase Order with O.C. Tanner in the amount of \$9,000 for a total amount of \$44,000 to purchase employee service awards for FY 2005-2006.

Expenditure: Not to exceed \$44,000

RECOMMENDATION

The Human Resources Director recommends that the City Council approve a change order to the Purchase Order with O.C. Tanner for an additional \$9,000 for a total amount not to exceed \$44,000 to purchase employee service awards during the fiscal year 2005-2006.

Funding

Funding is available in the Human Resources Department operating budget.

BACKGROUND

The Service Award Program is a vehicle to recognize employees for their valued service to the City and the role they play in the delivery of services to the community. Employees receive an award for their tenure beginning with the fifth year of service and at every five years of their career thereafter.

ANALYSIS

The overall cost of the Service Award Program has gradually risen. Over the last four years, the number of employees who reach an anniversary milestone has steadily increased. Specifically, the number of employees recognized in 2002 was 209, while in 2005 the number was 260. For 2006, the projected number of employees who will be eligible to receive a service award is 255. In addition to this factor, participation is higher due to the greater appeal and wide variety of items available for selection in

contrast to earlier years when some employees declined to participate. Finally, there have been modest price adjustments to the annual cost of some items that reflect the consumer price index.

Therefore, the current Purchase Order with O.C. Tanner, in the amount of \$35,000, needs to be increased by \$9,000 to cover the projected invoices for the remainder of FY 2005/2006.

Respectfully submitted,

ELAINE M. WINER
Human Resources Director



By Robert Weinmeister
Senior Human Resources Analyst

CONCUR:



LeRoy J. Jackson
City Manager



Elaine M. Winer
Human Resources Director