



CITY COUNCIL AGENDA ITEM

May 29, 2012

TO: The Honorable Mayor and City Council

FROM: Michael Culpepper, Acting City Manager
Peggy E. Sears, Human Resources Director
Susan A. Leirstein, Purchasing Director

SUBJECT: Approval of Contract for Executive Search Firm for City Manager

Background

On Monday, May 14, 2012, City Council approved the attached evaluation form for the purpose of rating the executive search firm proposals, and to conduct interviews if necessary and follow the standard request for proposal evaluation process in making the selection of an executive search firm to fill the vacancy of City Manager (Resolution #2012-05-112).

The scores of all Council members have been averaged into one score for each consultant for this phase of the process. Results are detailed in Attachment K and indicate the overall highest score was achieved by The Mercer Group with a total weighted score of 72.114 (out of (90) possible points); the next highest score was achieved by the Michigan Municipal League at 57.471 points. With only ten (10) points available for the interview phase, the MML will fall short of overcoming the highest rated, The Mercer Group. Phillip Robertson, from The Mercer Group is available by telephone on June 4th to answer any questions City Council may have.

Recommendation

City management recommends engaging the firm of The Mercer Group for executive recruitment services for the position of City Manger for an estimated cost not-to-exceed \$19,500.00, plus travel costs for finalists.

In addition, the City Attorney has prepared a contract for executive search services with The Mercer Group, which conforms substantially to previous contracts similar in scope, and requests authorization for the Mayor and City Clerk to execute a final contract.

Reviewed and approved by:

Lori Grigg Bluhm, City Attorney

TOTALS

EVALUATION FORM
EXECUTIVE SEARCH
POSITION OF CITY MANAGER

ATTACHMENT K

FINAL SCORING SHEET

VENDOR	A	B	C
NAME:	COLIN BAENZIGER & ASSOCIATES	FRANK GERSTENECKER	MICHIGAN MUNICIPAL LEAGUE
ADDRESS:			
CITY/STATE/ZIP:			
PHONE/FAX:			

EVALUATION CRITERIA	Point Value	INFORMATION	1-10 SCORE	INFORMATION	1-10 SCORE	INFORMATION	1-10 SCORE
ABILITY TO MEET OBJECTIVES: - Timeline - Position Analysis - Recruitment Process - Resume Review - Candidate Screening - Background Investigation - Interview Process - Negotiation & Follow-Up	23		7.71429 ↓		5.85714 ↓		6.857143 ↓
EXPERIENCE / QUALIFICATIONS: - Conducting Private as well as Military, or Public Sector Executive Searches - Recent successes in recruitment & placement of top executives	19		6.14286 ↓		4.42857 ↓		5.285714 ↓
PERSONNEL ASSIGNED: - Experience - Involvement - Use of Subcontractors	19		6.28571 ↓		3.71429 ↓		6.142857 ↓
SAMPLE DOCUMENTS: - Position Profile - Marketing Campaign - Completeness	19		6.14286 ↓		4.42857 ↓		6.571429 ↓
	80		53.0286		37.3571		49.97143
INTERVIEW - (Optional)	10						
COST TO COMPLETE PROJECT	10	\$21,500	2.5	\$4,030	10	\$14,700	7.5
	100						
TOTALS:			55.5286		47.3571		57.47143

Maximun Score = 100

TOTALS

EVALUATION FORM
EXECUTIVE SEARCH
POSITION OF CITY MANAGER

FINAL SCORING SHEET

VENDOR	D	E	F
NAME:	RANDSTAD	SLAVIN MANAGEMENT CONSULTANTS	THE MERCER GROUP
ADDRESS:			
CITY/STATE/ZIP:			HIGHEST RATED
PHONE/FAX:			

EVALUATION CRITERIA	Point Value	INFORMATION	1-10 SCORE	INFORMATION	1-10 SCORE	INFORMATION	1-10 SCORE
ABILITY TO MEET OBJECTIVES: - Timeline - Position Analysis - Recruitment Process - Resume Review - Candidate Screening - Background Investigation - Interview Process - Negotiation & Follow-Up	23		4.28571 ↓		7.85714 ↓		9.142857 ↓
EXPERIENCE / QUALIFICATIONS: - Conducting Private as well as Military, or Public Sector Executive Searches - Recent successes in recruitment & placement of top executives	19		4.28571 ↓		6.42857 ↓		8.714286 ↓
PERSONNEL ASSIGNED: - Experience - Involvement - Use of Subcontractors	19		4.42857 ↓		5.85714 ↓		8.428571 ↓
SAMPLE DOCUMENTS: - Position Profile - Marketing Campaign - Completeness	19		3.42857 ↓		6.57143 ↓		8.428571 ↓
	80		32.9286		53.9		69.61429
INTERVIEW - (Optional)	10						
COST TO COMPLETE PROJECT	10	\$39,900	0	\$21,491	2.5	\$19,500	2.5
	100						
TOTALS:			32.9286		56.4		72.11429

Maximun Score = 100

**CONTRACT BETWEEN THE CITY OF TROY, MICHIGAN
AND THE MERCER GROUP, INC.**

THIS AGREEMENT is entered into on this _____ day of June 2012, by and between The Mercer Group, Inc.. (Mercer), whose address is 3443 Highway 39 North, Louisburg, NC 27549 and the City of Troy, Michigan, a Michigan municipality, 500 W. Big Beaver Road, Troy, MI 48084 (City).

NOW, THEREFORE, the Parties mutually agree as follows:

1. Employment of The Mercer Group, Inc. (Mercer)

The City agrees to engage Mercer and Mercer agrees to perform the professional executive recruitment services as set forth in the attached Proposal Re: City Manager Search, as well as the attached Key Activities and Dates, City of Troy City Manager Search, which are incorporated by reference.

2. Administration of Agreement

Phillip G. Robertson shall oversee the performance of this Agreement on behalf of Mercer. Lori Grigg Bluhm, City Attorney, shall be the City's representative for the purpose of administering this Agreement.

3. Scope of Services

City agrees to employ Mercer to provide assistance in recruiting and selecting a City Manager, as set forth in the attached proposal and the RFP Executive Search for City Manager, which are attached and incorporated by reference. Mercer's services shall be divided into a seven step search process, as set forth in the attached proposal. Mercer shall furnish all labor, materials, and equipment necessary to perform all of the work as set forth in the Proposal and this Agreement in strict accordance with the scope of services and other documents which have been made a part of this contract in the manner, time, and place as set forth therein.

4. Fees and Payment

A. The City shall pay to Mercer a fee of \$15,500 for the executive recruitment services performed on behalf of the City.

B. The fee will be payable as follows:

- One-third is payable within 21 days after approval of the contract.

- One-third is payable within 21 days after Mercer's delivery of the reports detailing Mercer's semi-finalist candidate recommendations, as well as the individual qualifications for approximately 15 semi-finalists to the City.
 - One-third is payable within 21 days after completion of the search and the recommended candidate's acceptance of the job offer.
- C. In addition to the \$15,500 fee, the City agrees to pay actually incurred and necessary expenses in an amount not exceeding \$4,000, as set forth in the attached and incorporated proposal.
- D. The City will reimburse the finalist candidates directly for all travel expenses necessarily incurred by City Manager finalist candidates for the interviews, as long as the travel expenses are approved of in writing in advance of being incurred. These travel expenses shall be in addition to the amounts, as set forth above in Section A and C. Travel expenses include airfare, lodging, meals, ground transportation, and any other appropriate documented expenses. When possible, these expenses will be billed directly to the City by the service provider.
- E. The City will provide, free of charge, suitable facilities for interviews and meeting rooms for the Executive Search.
5. Mercer will provide to the City a certificate of insurance, per the attached sample, and will maintain the coverage for the duration of this Agreement.
6. Mercer agrees to complete the Scope of Services timely and to adhere to the Schedule as set forth in the proposal, which is incorporated by reference, so that the acceptable City Manager candidate can commence employment on or before September 15, 2012.

7. Termination of Agreement for Cause

Upon breach of this Agreement by Mercer, the City shall have the right to terminate this Agreement by giving written notice to Mercer of such termination, specifying the reasons therefore and the effective date thereof, at least thirty (30) days before the effective date of such termination. This termination can be for poor performance, as determined by the City, or any other breach of the Agreement. Mercer shall be given the opportunity to remedy any such breach within the thirty (30) days, and such remedy, if acceptable to the City, shall void the termination. In the event of termination, all finished or unfinished documents and other materials related directly to the performance of this contract should become the sole and exclusive property of the City, at the effective date of termination. If the Agreement is terminated by the City, as provided herein,

Mercer shall be paid for the time and expenses incurred in the performance of this contract as of the date of termination.

8. Confidentiality

To the extent provided by law, all candidate information obtained in the performance of this agreement, up to the identification of the finalists for the position, is confidential. Mercer shall not release any information to the public, or to any public or private agency/organization (other than the City) without approval of the City.

9. Equal Employment Opportunity

In connection with the performance of work under this contract, Mercer agrees that it shall not discriminate against any employee or applicant for employment because of race, color, religion, gender, disability, national origin, age or marital status.

10. Assignability and Delegation

Mercer shall not assign or transfer any interest in this Agreement or delegate any of its duties without obtaining prior written consent from the City.

11. Findings Confidential

Any reports, information, data, forms, procedures and any other communication or documents given to, or prepared or assembled by Mercer, under this Agreement, will not be distributed to the public by Mercer without the prior written approval from the City.

12. Indemnification

To the fullest extent permitted by law, Mercer agrees to defend, pay on behalf of, indemnify, and hold harmless the City of Troy, its elected and appointed officials, employees and volunteers and others working on behalf of the City of Troy against any and all claims, demands, suits, or loss, including all costs connected therewith, and for any damages which may be asserted, claimed or recovered against or from the City of Troy, its elected and appointed officials, employees, volunteers or others working on behalf of the City of Troy, by reason of personal injury, including bodily injury or death and/or property damage, including loss of use thereof, which arises out of or is in any way connected or associated with this contract/agreement.

In the event that the City requires or desires the assistance of Mercer in preparing for or defending against any litigation or other proceeding that relates

to the services performed under this Agreement, then Mercer shall provide such services, as requested by City, at its then current hourly rates.

The City agrees that Mercer's role in the selection process for a City Manager is advisory, and the City assumes responsibility for final selection and screening decisions throughout the process.

13. Insurance

Mercer shall continuously carry the Worker's Compensation, Comprehensive/ General Liability Insurance, Automobile Liability Insurance and Professional Liability Insurance coverage, as set forth in the Request for Proposals, which is incorporated herein. Certificates of insurance demonstrating the required coverage shall be provided to City's Risk Manager immediately upon execution of this Agreement. Cancellation or lapse of the insurance shall be considered a material breach of this Contract, and the Agreement shall become null and void unless Mercer immediately provides proof of renewal of continuous coverage to City's Risk Manager. All of Mercer's insurance carriers shall be licensed and admitted to do business in the State of Michigan and acceptable to City.

14. Independent Contractor

- A. Mercer acknowledges that it is an independent contractor with no authority to bind the City to any contract or agreements, written or oral.
- B. Mercer shall be, for all purposes arising under this Agreement, an independent contractor and none of its agents or employees shall be deemed employees of the City. It is expressly understood and agreed that Mercer's agents and employees shall, in no event, be entitled to any benefits to which City employees are entitled, including but not limited to overtime, retirement benefits, worker's compensation benefits, and injury leave or other leave benefits.

15. Compliance with Applicable Laws

- A. Mercer agrees to comply with all applicable federal, state and local statutes, ordinances, rules and regulations.
- B. This Agreement shall be construed and interpreted according to the laws of the State of Michigan.

16. Entire Agreement

The foregoing constitutes the entire Agreement between the parties and may be modified only by a written instrument signed by both parties.

17. Authority To Execute

By execution of this Agreement, the respective parties acknowledge that each has executed this Agreement with full and complete authority to do

IN WITNESS WHEREOF, the City and The Mercer Group, Inc. execute this Agreement on the _____ day of June, 2012.

By: _____
Phillip G. Robertson, Senior Vice President

Witness

CITY of TROY, MICHIGAN

By: _____
Janice L. Daniels, Mayor

By: _____
M. Aileen Bittner, City Clerk

Witness