



## CITY COUNCIL REPORT

DATE: March 30, 2009

TO: Phillip L. Nelson, City Manager

FROM: Peggy E. Sears, Human Resources Director

SUBJECT: **AGENDA ITEM** – Process to Evaluate Proposals to Conduct Executive Search for City Manager

### Background:

- On Monday, March 2, 2009, City Council accepted the resignation of Phil Nelson, effective March 31, 2009. During the study session portion of this City Council meeting, City Council discussed options for a City Manager Search, and agreed to solicit proposals from executive search firms.
- Due to a very tight 120 day time frame, I e-mailed the Michigan Public Employees Labor Relations Association (MPELRA) board members and past presidents, seeking the names and addresses of firms that had completed successful executive searches within the past five years. Based on the results of this inquiry and also the input from individual Council members, six firms were mailed a request for proposals. The deadline for these proposals was March 19, 2009.
- Prior to disseminating the proposals, City Council was provided with a draft evaluation form, which is used to evaluate professional service contracts.
- Point values were recommended for City Council consideration at the March 23, 2009 City Council meeting. At that meeting, City Council approved the recommended evaluation form, with some modifications to the weights for each category.
- City Council also requested that each of the executive search firms be given an opportunity to address Council in an interview at the March 30, 2009 City Council meeting.
- City Council members were provided with an electronic copy of the six proposals at the conclusion of the Council meeting, and the modified evaluation form the day following the Council meeting.
- The evaluation form weights 24 of the total 100 points on price. Based on the significant number of points allotted for price, there are two executive search firms that are priced significantly higher than the other four proposals, which could be a significant factor that could narrow the field down to four firms before the other factors are considered.
- City Administration recommends the attached evaluation process that is set forth in the March 24, 2009 attached memorandum, since it is consistent with the City of Troy's

standard evaluation criteria and purchasing principles. A proposed resolution is attached for your consideration.

- All six firms are able to participate in a phone interview for tonight's meeting, with a recommended schedule of 15 minutes each, with City Administration coordinating the calls to minimize delayed and overlapping interviews.

Financial Considerations:

There are no financial considerations with the preliminary process of selecting an executive search firm.

Legal Considerations:

The evaluation of proposals and the executive search process would comply with City purchasing practices and appropriate laws, including the Open Meetings Act and Council Rules of Procedure.

Policy Considerations:

The process of selection of a search firm supports each of the City's goals

Options:

- Utilize the recommended evaluation process to screen proposals received from executive search firms
- Do not utilize the process

Attachments:

- Report to City Manager from Susan A. Leirstein re: Evaluation Process-Executive Search- Position of City Manager
- Proposed Resolution

## PROPOSED RESOLUTION

### F- Process to Evaluate Proposals of Search Firms to Conduct Executive Search for City Manager

Resolution #2009-03-

Moved by

Seconded by

WHEREAS, The City of Troy requested proposals from six executive search firms to conduct a search process for the position of City Manager;

WHEREAS, Proposals from all six executive search firms were received by the March 19, 2009 deadline;

WHEREAS, The Troy City Council on March 23, 2009 approved the evaluation form for the purpose of rating the proposals; and

WHEREAS, City Administration recommends the City of Troy standard evaluation process, which stipulates that each City Council member will independently complete the evaluation form for each of the executive search firms;

NOW THEREFORE, BE IT RESOLVED, that City Council hereby **SUSPENDS** City Council Rules of Procedure Number 28- Wire Communications; and

BE IT FURTHER RESOLVED, that each of the City Council members shall independently **COMPLETE** the evaluation form for the six executive search firms, and shall **SUBMIT** the evaluations to City Administration for tabulation; and

BE IT FURTHER RESOLVED, that City Administration shall **TABULATE** each of the individual evaluation forms, in accordance with the approved weights, and shall **RANK** each of the executive search firms for Council review; and

BE IT FURTHER RESOLVED, that City Council shall **SELECT** from the list of executive search firms, the firms that will be afforded an interview; and

BE IT FURTHER RESOLVED, that each firm selected for an interview **WILL BE GIVEN** an opportunity to address Council's questions and make statements to clarify their proposals; and

BE IT FURTHER RESOLVED, that after the selected firms are **PROVIDED** with an opportunity to interview, that City Council shall **DELIBERATE** towards the selection of an executive search firm for the City Manager vacancy; and

BE IT FINALLY RESOLVED, that all evaluation forms shall be **ATTACHED** to the City Council minutes.



## REPORT TO CITY MANAGER

March 24, 2009

TO: Phillip L. Nelson, City Manager

FROM: Susan A. Leirstein, Purchasing Director

SUBJECT: Evaluation Process – Executive Search – Position of City Manager

- On March 9, 2009, various executive search firms were invited to participate in a request for proposal process to select the City's new City Manager.
- Six (6) firms responded by the deadline of March 19, 2009. City Council is the formal committee who will make the decision as to the selection of the most qualified firm. In order for the process to be as objective as possible, I recommend using the City's standard evaluation criteria, which consists of the following —
- **Phase 1: Minimum Qualifications Evaluation**  
Firms are required to meet minimum established criteria in order to go to the second phase of the process.  
Example: [Search must be completed within 120 days.](#)
- **Phase 2: Evaluation of Proposals**  
Each City Council member will independently use the weighted score sheet to evaluate the proposals; each Council member will calculate a weighted score. The scores of the Council Members will be averaged into one score for each firm for this phase of the process. Note: The interview and cost to complete portions will be rated in the appropriate phase.
- **Phase 3: Interview Score - Optional**  
City Council, at its option, should invite at least the top three (3) rated firms to participate in an interview. If less than three (3) candidates remain in the process, all should be interviewed. Each City Council member will independently use the weighted score sheet to evaluate the Interview; each Council member will calculate a weighted score. The scores of the Council members will be averaged into one score for each firm for this phase of the process. Those being interviewed may be supplied with further instructions and requests prior to the interview. Persons representing the firm at the interview must be the personnel who will be assigned to this project.
- **Phase 4: Price**  
Points for price can be calculated as follows:

**FORMULA -  $\{1 - (\text{Proposal Price} - \text{Low Price}) / \text{low price}\} \times \text{available points}$**

- **Phase 5: Final Scoring and Selection**

4 pts Interview Score - optional  
72 pts Proposal Score  
24 pts Price Score  
100

This process will incorporate the values and opinions of all City Council members and ensure a fair and equitable process for all participants. Those who serve on evaluation committees are held in the highest regard and should be free from bias or conflict of interest.

This process provides an organized means to an end..... to select the most qualified firm to perform the search for the City's new City Manager. If requested, I would be privileged to act as facilitator for the recommended process.



**EXECUTIVE SEARCH  
POSITION OF CITY MANAGER  
INTERVIEW QUESTIONS**

**TIME FRAME: 15 MINUTES**

<b>VENDOR:</b>		<b>RATER: 1   2   3   4   5   6   7</b>	
<b>QUESTIONS:</b>	<b>NOTES:</b>	<b>SCORE:</b>	
1) Who will be assigned to our account – Is that person available to be a part of this interview?	Susan		
2) Describe your ability to complete this project on time (within 100-120 days). How will you handle the situation if the project falls behind?	Peggy		
3) Have you done any searches in Michigan within the last 4 years? Is so, please describe (public / private)	Robin(1)		
4) How would you handle candidates that apply outside your recruiting process?	Cristina(2)		
5) What process do you use to qualify the candidates?	David(3)		
6) How often does your firm plan to make face to face visits with City Council? Explain	Wade(4)		
7) What happens if City Council is not satisfied with any of the candidates as a result of your search?	Martin(5)		
8) Typically, what is the most difficult part of the recruitment process? How are the issues resolved?	Mary(6)		
9) Is your firm willing to negotiate a best and final offer as it relates to project expenses?	Louise(7)		
10) Do you have any questions or concerns about working with this Council to complete this executive search?	Peggy		

THE NOTES AREA MUST BE COMPLETED TO ACCOMPANY THE SCORE PROVIDED.