

MEMORANDUM

TO: CITY COUNCIL

FROM: ROBERT K. MCFALL, INTERIM CITY MANAGER

SUBJECT: CONSIDERATION OF PROCUREMENT OF CONSULTANT SERVICES FOR CITY MANAGER RECRUITMENT

DATE: SEPTEMBER 27, 2017

RECOMMENDATION:

It is recommended the City Council: 1) authorize the Interim City Manager to distribute Request for Proposals (RFPs) to executive recruitment firms to coordinate the City Manager recruitment and selection process; and 2) designate two (2) Councilmembers to interview the recruitment firm applicants and provide a recommendation to the City Council for consideration.

IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:

Specific funding is not being requested at this time; however the cost is estimated to be approximately \$30,000. The contract will be funded from savings in the City Manager program budget and will be specifically requested when Council considers awarding the consulting contract.

BACKGROUND:

The position of City Manager became vacant in June 2016, with the duties now temporarily performed by an interim City Manager. The recommended action will initiate the process to select a new permanent City Manager.

ANALYSIS OF ISSUES:

The most typical approach to recruiting a new City Manager involves the use of a professional executive search firm. Qualified firms keep themselves apprised of professionals that would make suitable candidates, are able to offer unique outreach services to individuals that might not otherwise apply for the position, help to reduce any perception that the process is not impartial and work directly for the Council, to whom the City Manager directly reports. While such a recruitment could conceivably be accomplished with in-house staff, on-going project loads and limited contact with the executive city management community could hamper the success of the recruitment. The Administrative Services/HR Department can provide any staff support requested by the consultant or the Council.

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A request for proposal (RFP) will be distributed to qualified firms. Once proposals are received by the City, the ad hoc subcommittee appointed by City Council will meet, select finalists to interview and make a recommendation to the full Council for award of the contract. A copy of the RFP is attached, which includes the proposed scope of services.

In order to re-establish permanent organizational leadership in a judicious manner, it is important the recruitment process begin quickly as several months are typically required. The following schedule will be shared with potential consultants to ensure they are available to support the City's goal of a smooth and timely transition:

Phase 1	November/December - Candidate Profile, Recruitment Strategy and Brochure
Phase 2	December/January - Outreach and Advertising Campaign
Phase 3	February - Candidate screening and Interviews
Phase 4	February/March - Candidate selection, background, and offer
Phase 5	March - Appointment
Start Date	April

Recognizing that the City Council Reorganization meeting occurs on December 12, 2016, and some desirability could be assumed in having the new Council initiate the process, it is nonetheless recommended to initiate the RFP process now as outlined above in order to cause the timely appointment of the new City Manager. An alternate initiation date of January would likely result in the appointment not being made until June or July, 2017. The recommended schedule has been developed such that all key decisions in the process will occur with the newly seated Council.

ALTERNATIVES:

The following alternatives are provided for the Council's consideration:

- Approve staff's recommendations;
- Direct staff to perform the process in-house;
- Modify and approve the proposed scope of services; and
- Provide other direction to staff.

ADVANTAGES:

Use of a professional firm will provide the most effective approach to attracting the highest quality applicants for the position.

DISADVANTAGES:

The expenditure of funds for the recruitment that could otherwise be used for other purposes.

ENVIRONMENTAL REVIEW:

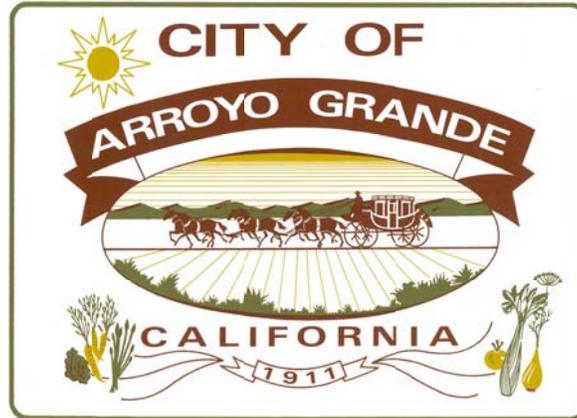
No environmental review is required for this item.

PUBLIC NOTIFICATION AND COMMENTS:

The agenda was posted in front of City Hall and on the City's website in accordance with Government Code Section 54954.2.

Attachments:

1. RFP



City of Arroyo Grande
REQUEST FOR PROPOSAL
FOR
CITY MANAGER RECRUITMENT SERVICES

City of Arroyo Grande
Office of the City Manager
300 E. Branch Street
Arroyo Grande, CA 93420

Proposals Due October 28, 5:00pm

CITY OF ARROYO GRANDE

REQUEST FOR PROPOSALS CITY MANAGER RECRUITMENT AND SELECTION PROCESS

September 28, 2016

PROPOSAL INTENT

The City of Arroyo Grande, California is seeking the services of a highly qualified executive search firm to manage the recruitment and selection of its City Manager. The consultant should have the knowledge, demonstrated experience and expertise to advise Council on the recruitment and selection process, employ methods to ensure highly qualified candidates are attracted to the community and the ability to effectively involve key stakeholders.

Proposals must be responsive to the City's request. The City shall determine the most responsive and qualified Consultant at a reasonable cost. Cost alone shall not be the determinative factor. The City reserves the right in its absolute discretion to make no award or contract.

ABOUT ARROYO GRANDE

Arroyo Grande is located in beautiful San Luis Obispo County, halfway between Los Angeles and San Francisco. Known as one of the "Five Cities," Arroyo Grande is surrounded by Grover Beach, Oceano, Shell Beach, and Pismo Beach along California's Central Coast, just south of San Luis Obispo. Arroyo Grande provides an extraordinary quality of life to its 17,395 residents. The community's friendly, small-town atmosphere; outstanding climate; beautiful environment; and excellent recreation and entertainment opportunities make Arroyo Grande a very desirable place to live and work. The City comprises 5.86 square miles and includes acres of agriculturally productive land in a valley created by the Arroyo Grande Creek. Within the City, residents enjoy a unique combination of rural and urban qualities. Excellent neighborhoods, a variety of shopping experiences, quality parks and sports facilities, a performing arts center, local hospital, and an outstanding school system all contribute to the community's outstanding quality of life. Arroyo Grande also offers award-winning wines, family-friendly festivals, and summertime concerts. The region's year-round Mediterranean and mild climate provides the ideal environment for taking advantage of the vintage California atmosphere. The summer months are naturally air conditioned by ocean breezes with occasional light fog, and the winters offer delightful and refreshing crispness. Arroyo Grande is within minutes of spectacular ocean beaches, Lopez Lake recreation area, campgrounds, hiking trails and several noted wineries.

Founded in 1862 and incorporated in 1911, the City of Arroyo Grande has a Council-Manager form of government. The citizens of Arroyo Grande elect a mayor and four council members at large. Council members serve staggered, four-year terms, and the mayor is elected every two years. The City Council appoints the City Manager as well as the City Attorney.

Arroyo Grande is a full-service city, including police, recreation, community development, parks, streets, sewer and water utility operations. Fire services are provided by the Five Cities Fire Authority, which contracts with the City for financial and personnel support. The City's existing budget is \$42 million, including a \$16 million general fund. There are currently 86 full-time and 70 part-time employees. The city has maintained a stable financial condition due to a number of

proactive efficiency measures implemented in response to recent financial challenges and has continued to fund a comprehensive capital improvement program.

The City offers a highly professional, stable, and friendly work environment. City staff maintain an outstanding relationship with the community, the City Council, and each other. Employees are committed to commonly shared values that were established through an organization-wide process. As a result, employment with the City provides a rewarding environment working with individuals that care about each other and the community they serve.

BACKGROUND OF PREVIOUS CITY MANAGERS

The recent City Manager separated services after a one year engagement with the City. The previous City Manager served for 14 years prior to his resignation.

SCOPE OF WORK

The City anticipates the search will involve five phases:

Phase 1	November/December	Candidate Profile, Recruitment Strategy and Brochure
Phase 2	December/January	Outreach and Advertising Campaign
Phase 3	February	Candidate screening and Interviews
Phase 4	February/March	Candidate selection, background, and offer
Phase 5	March	Appointment
Start Date	April 2017	

The core services required include the following:

- Being the primary contact with Council, guiding and advising them through the recruitment and selection process.
- Meet with the City Council to facilitate discussion and to develop the City Manager candidate profile.
- Interview the Executive Team and key stakeholders to determine desired characteristics of the City Manager.
- Advise Council on all phases of the recruitment, including who should be involved and to what extent. This may include input regarding participation from key stakeholders, department heads, other staff and the community.
- Develop recruitment materials.
- Conduct a national outreach and advertising campaign aimed at producing the highest quality City Manager candidates.
- Review and screen candidates. Personally meet with top candidates prior to presenting to Council.
- Meet with the City Council to review recommendations for final candidates.
- Recommend final selection process including meeting with the City Council to facilitate process to review final candidates.
- Contact references and former employers and colleagues of the candidates.
- Conduct background on final candidates by independent investigator.
- Negotiate compensation package with final candidate if requested.

The consultant or the City may propose additional tasks as deemed necessary to complete the assignment. Any additional work shall be compensated as agreed upon as defined in the Consultant's contract with the City.

PROPOSAL FORMAT AND CONTENT

Proposals should be concise and limited to the information requested. Each proposal shall include the following information in this format:

Introduction

A cover letter introducing the company and the individual who will assume the primary responsibility for the recruitment and be the contact with City Council.

Understanding of Proposal

Statement of your firm's understanding of the services to be performed and your commitment to provide the services as indicated in the RFP.

Insurance

A statement that the Consultant can meet the City's mandatory insurance requirements: The City requires Commercial General Liability Insurance with limits of not less than \$1,000,000 per occurrence, Professional Liability Insurance with limits of not less than \$1,000,000 per occurrence if available to a professional engaged in Consultant's regular course of business, and Worker's Compensation Insurance as required by the State of California.

Qualifications and Experience

Specific qualifications regarding your firm's experience in conducting an executive search for a City Manager, including resumes of the key personnel to be assigned to this project listing City Manager recruitment processes that they have coordinated over the past three years. Provide an estimated proportion of work to be performed by principal, associates and/or support staff.

Work Plan

Provide a brief description of the work plan, methodologies and approach proposed to carry out the tasks set forth in the Scope of Work.

Costs

Submit a flat fee proposal to complete the entire scope of work, including travel and incidental expenses. Proposals shall also include a list of personnel proposed to work on the project, allocations of time each person is to work on the project and hourly rates for those personnel. Cost proposals are to include all costs to the City.

Schedule

Provide a detailed timeline with proposed payment schedule, assuming the work will begin by December 2016.

References

Provide a minimum of three municipal references for City Manager recruitments conducted within the past five years. The references must be for searches conducted using the principal being recommended as a part of this proposal. Include with the name, entity, address, and daytime telephone number of the reference.

*City of Arroyo Grande
Request for Proposals
City Manager Recruitment and Selection Process
September 28, 2016*

The proposal must include an authorized signature binding the firm to the proposal for a ninety (90) day period.

SELECTION PROCESS

Each of the proposals received will be evaluated and determined if they meet the stated requirements of the Request for Proposal. Failure to meet these requirements will be a cause to eliminate the Consultant from further consideration.

The City will not be liable for any costs incurred in the preparation of the proposal nor for obtaining the required insurance.

The City reserves the right to reject any and all proposals, to waive any technicalities, to accept or reject the proposal and to be the sole judge of the suitability of the proposals submitted.

The review committee, comprised of the Interim City Manager and City Council Ad Hoc Subcommittee, will evaluate the proposals. In addition to evaluating the written materials, oral interviews may be requested. A recommendation to the full City Council will be prepared generally based upon the following criteria, which is neither weighted nor prioritized:

- Demonstrated understanding of the services requested.
- Prior and recent experience in successfully performing similar work.
- Qualifications of the firm and the assigned individuals.
- Methodology and proposed approach in completing the work.
- Background and related experience of the primary and other individuals assigned to this engagement.
- Fees to be charged and overall cost effectiveness of the proposal.
- Outcome of reference checks.

SUBMITTAL

Submit a total of 7 copies to:

Robert K. McFall
Interim City Manager
300 E. Branch Street
Arroyo Grande, CA 93420

Show the following information on the outside of the package:

- Consultant's name and address
- City Manager Recruitment Proposal

Closing Date: All proposals must be received by Friday, October 28, 2016 at 5:00 p.m. Any proposals received after that time will not be considered.

For questions or additional information, please contact Robert K. McFall at bmcfall@arroyogrande.org or 805.473.5408.

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