



Staff Report

City of Manhattan Beach

TO: Honorable Mayor Ward and Members of the City Council

THROUGH: Richard Thompson, Interim City Manager

FROM: Cathy A. Hanson, Human Resources Director

DATE: April 6, 2010

SUBJECT: Consideration of Award of a Contract to Ralph Andersen & Associates for City Manager Recruitment Services (Estimated Total Value of \$21,500)

RECOMMENDATION:

The Council Sub-committee recommends that the City Council direct the Interim City Manager to award Request For Proposal (RFP) #796-10 to Ralph Andersen & Associates for a contract to provide City Manager (CM) recruitment services (estimated total value of \$21,500).

FISCAL IMPLICATION:

Sufficient General Funds are available in the General Fund for this expenditure.

DISCUSSION:

As requested by City Council, a RFP for recruitment services for the CM position was prepared. Based on that request, the City received 14 RFPs for review. Staff read through all 14 and utilizing applicable selection criteria such as the firms experience in recruiting CMs in California, proposed approach to recruitment, firm's reputation, recruiter that would be assigned and cost, staff was able to reduce the RFPs from 14 to 6 for the Council sub-committee's review. Based on that review the sub-committee, which consisted of Mayor Mitch Ward and Council Member Nick Tell, chose to personally interview two firms (Ralph Andersen & Associates and Alliance).

On March 12, 2010, the Council sub-committee, Interim City Manager and HR Director interviewed these firms and decided to recommend Ralph Andersen & Associates to City Council. Ralph Andersen & Associates has extensive experience in recruiting city managers. A partial list of recently completed city manager searches includes cities such as Beverly Hills, Port Hueneme, Chico, Sausalito and Calabasas. The entire list of firms submitting RFPs is listed below.

Bid Recaps

Staff solicited proposals and received fourteen responses. The comparison below shows the estimated total cost:

<u>Bidder</u>	<u>Bid Total</u>
1. Neher & Associates	\$20,000
2. Wilcox Miller Nelson	\$21,000+

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3. Ralph Andersen & Associates	\$21,500
4. Peckham & McKenney	\$21,500
5. Avery Associates	\$21,900
6. Bob Murray and Associates	\$22,000
7. Slavin Management Consultants	\$22,816
8. Alliance	\$24,000
9. Roberts Consulting Group Inc.	\$24,000
10. Voorhees Associates	\$25,400+
11. CPS	\$25,500
12. US Tech Solutions	\$32,000

Once approved, staff will execute the Agreement (attached) and begin the recruitment process as soon as possible.

Attachments: Agreement with Ralph Andersen & Associates

AGREEMENT

THIS AGREEMENT is made this ____ day of _____, 2010, by the CITY OF MANHATTAN BEACH, a municipal corporation, ("CITY"), and Ralph Andersen & Associates, an Executive Search Firm, ("CONSULTANT").

RECITALS

The following recitals are a substantive part of this Agreement:

1. City is desirous of obtaining services necessary to recruit, select and hire a City Manager (CM);
2. CONSULTANT is qualified by virtue of experience, training, education, and expertise to accomplish these services.

AGREEMENT

THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. **Term of Agreement.** This Agreement shall terminate on successful completion of the City Manager hiring process with CM hired, unless earlier terminated as provided below.

1.1 **Termination.** CITY and CONSULTANT shall have the right to terminate this Agreement, without cause, by giving ten (10) days written notice. Upon receipt of a termination notice, CONSULTANT shall:

- (1) promptly discontinue all services affected (unless the notice directs otherwise); and
- (2) promptly deliver all data, reports, estimates, summaries, and such other information and materials as may have been accumulated by CONSULTANT in performing the Agreement to CITY, whether completed or in progress. CONSULTANT shall be entitled to reasonable compensation for the services it performs up to the date of termination.

2. **Services to be Provided.** The services to be performed by CONSULTANT shall consist of the following: Services to be Provided. The services to be provided hereunder shall be those set forth in Exhibit “A”, Services/Scope of Work, which is attached hereto and incorporated herein by this reference. Any inconsistency between Exhibit “A” and this Agreement shall be resolved in favor of this Agreement.

3. **Compensation.** CONSULTANT shall be compensated as follows:

3.1 **Amount.** As full compensation for the Consultant’s professional services performed hereunder, the City shall pay the Consultant the fixed amount of \$17,500 (Seventeen Thousand and Five Hundred Dollars) (“professional services fee”).

3.2 **Payment.** For work under this Agreement, payment shall be made per monthly invoice. For extra work not a part of this Agreement, written authorization by CITY will be required, and payment shall be based on hourly rates in Exhibit “B.” The CITY does not anticipate using any services that are not part of this Agreement.

3.3 **Expenses.** CONSULTANT shall be entitled to reimbursement from the City for out-of-pocket expenses incurred by Consultants for travel, advertisements, printing and binding, postage and delivery, clerical, graphic design, research, Internet and Lexis/Nexis searches, backgrounds and verifications, and fax and long-distance telephone charges. Expenses shall not exceed \$4000 (Four Thousand Dollars). The Consultant shall keep accurate records of all expenses. Out-of-state travel expense by Consultant shall only be paid by the CITY if approved in writing prior to incurring said expenses. Records must be submitted to CITY along with any invoice which requests payment for the foregoing expenses. The CITY will be responsible for all candidate expenses related to on-site interviews. All expenses shall be paid at a rate not to exceed those in the City’s Travel Policy. Travel expenses shall not include any mark-up or administrative fee.

4. **Professional Standards.** CONSULTANT shall maintain or exceed the level of competency presently maintained by other similar practitioners in the State of California, for professional and technical soundness, accuracy and adequacy of all work, advice, and materials furnished under this Agreement.

5. **Time of Performance.** CONSULTANT shall complete all services required hereunder as and when directed by CITY beginning in early April 2010, at which time the CONSULTANT shall schedule the initial kick-off meeting for the search process and shall continue, subject to the termination provisions of Section 1.1 of this agreement, until the date that the CONSULTANT completes the search. The time of completion of the search is based on the City’s time schedule as noted in the RFP with completion anticipated with the new City

Manager's start date in September/October 2010. However, CITY in its sole discretion, may extend the time for performance of any service.

6. **Employees and Subcontractors.** CONSULTANT may, at CONSULTANT'S sole cost and expense, employ such other person(s) as may, in the opinion of CONSULTANT, be needed to comply with the terms of this Agreement, if such person(s) possess(es) the necessary qualifications to perform such services. If such person(s) is/are employed to perform a portion of the scope of work, the engagement of such person(s) shall be subject to the prior approval of the CITY.

7. **Insurance Requirements.**

7.1 **Commencement of Work.** CONSULTANT shall not commence work under this Agreement until it has obtained CITY approved insurance. Before beginning work hereunder, during the entire period of this Agreement, for any extensions hereto, and for periods after the end of this Agreement as indicated below, CONSULTANT must have and maintain in place, all of the insurance coverages required in this Section 7. CONSULTANT'S insurance shall comply with all items specified by this Agreement. Any subcontractors shall be subject to all of the requirements of this Section 7 and CONSULTANT shall be responsible to obtain evidence of insurance from each subcontractor and provide it to CITY before the subcontractor commences work.

All insurance policies used to satisfy the requirements imposed hereunder shall be issued by insurers authorized to do business in the State of California. Insurers shall have a current A.M. Best's rating of not less than A-:VII unless otherwise approved by CITY.

7.2 **Coverages, Limits and Policy Requirements.** CONSULTANT shall maintain the types of coverages and limits indicated below:

(1) **COMMERCIAL GENERAL LIABILITY INSURANCE** - a policy for occurrence coverage, including all coverages provided by and to the extent afforded by Insurance Services Office Form CG 0001 ed. 11/88 or 11/85, with no special limitations affecting CITY. The limit for all coverages under this policy shall be no less than one million dollars (\$1,000,000.00) per occurrence. CITY, its employees, officials and agents, shall be added as additional insureds by endorsement to the policy. The insurer shall agree to provide the City with thirty (30) days prior written notice of any cancellation, non-renewal or material change in coverage. The policy shall contain no provision that would make this policy excess over, contributory with, or invalidated by the existence of any insurance, self-insurance or other risk financing program

maintained by CITY. In the event the policy contains such an “other insurance” clause, the policy shall be modified by endorsement to show that it is primary for any claim arising out of the work performed under this Agreement. The City of Manhattan Beach Insurance Endorsement Form No. 1 (General Liability) must be executed by the applicable insurance underwriters.

(2) **COMMERCIAL AUTO LIABILITY INSURANCE** - a policy including all coverages provided by and to the extent afforded by Insurance Services Office form CA 0001, ed. 12/93, including Symbol 1 (any auto) with no special limitations affecting the CITY. The limit for bodily injury and property damage liability shall be no less than one million dollars (\$1,000,000) per accident. CITY, its employees, officials and agents, shall be added as additional insureds by endorsement to the policy. The insurer shall agree to provide the City with thirty (30) days prior written notice of any cancellation, non-renewal or material change in coverage. The policy shall contain no provision that would make this policy excess over, contributory with, or invalidated by the existence of any insurance, self-insurance or other risk financing program maintained by CITY. In the event the policy contains such an “other insurance” clause, the policy shall be modified by endorsement to show that it is primary for any claim arising out of the work performed under this Agreement. The City of Manhattan Beach Insurance Endorsement Form No. 2 (Auto) must be executed by the applicable insurance underwriters.

(3) **WORKERS’ COMPENSATION INSURANCE** - a policy which meets all statutory benefit requirements of the Labor Code, or other applicable law, of the State of California. The minimum coverage limits for said insurance shall be no less than one million dollars (\$1,000,000) per claim. The policy shall contain, or be endorsed to include, a waiver of subrogation in favor of CITY.

7.3 Additional Requirements. The procuring of such required policies of insurance shall not be construed to limit CONSULTANT’S liability hereunder, nor to fulfill the indemnification provisions and requirements of this Agreement. There shall be no recourse against CITY for payment of premiums or other amounts with respect thereto. CITY shall notify CONSULTANT in writing of changes in the insurance requirements. If CONSULTANT does not deposit copies of acceptable insurance policies with CITY incorporating such changes within sixty (60) days of receipt of such notice, CONSULTANT shall be deemed in default hereunder.

Any deductibles or self-insured retentions must be declared to and

approved by CITY. Any deductible exceeding an amount acceptable to CITY shall be subject to the following changes:

- (1) either the insurer shall eliminate, or reduce, such deductibles or self-insured retentions with respect to CITY and its officials, employees and agents (with additional premium, if any, to be paid by CONSULTANT) ; or
- (2) CONSULTANT shall provide satisfactory financial guarantee for payment of losses and related investigations, claim administration, and defense expenses.

7.4 Verification of Compliance. CONSULTANT shall furnish CITY with original endorsements effecting coverage required by this Agreement. The endorsements are to be signed by a person authorized by the insurer to bind coverage on its behalf. All endorsements are to be received and approved by CITY before work commences. Not less than fifteen (15) days prior to the expiration date of any policy of insurance required by this Agreement, CONSULTANT shall deliver to CITY a binder or certificate of insurance with respect to each renewal policy, bearing a notation evidencing payment of the premium therefore, or accompanied by other proof of payment satisfactory to CITY.

8. **Non-Liability of Officials and Employees of the CITY.** No official or employee of CITY shall be personally liable for any default or liability under this Agreement.

9. **Non-Discrimination.** CONSULTANT covenants there shall be no discrimination based upon race, color, creed, religion, sex, marital status, age, handicap, national origin, or ancestry, in any activity pursuant to this Agreement.

10. **Independent Contractor.** It is agreed that CONSULTANT shall act and be an independent contractor and not an agent or employee of CITY, and shall obtain no rights to any benefits which accrue to CITY'S employees.

11. **Compliance with Law.** CONSULTANT shall comply with all applicable laws, ordinances, codes, and regulations of the federal, state, and local government.

12. **Ownership of Work Product.** All documents or other information created, developed or received by CONSULTANT shall, for purposes of copyright law, be deemed works made for hire for CITY by CONSULTANT as CITY'S employee(s) for hire and shall be the sole property of CITY. CONSULTANT shall provide CITY with copies of these items upon demand and in any event, upon termination or expiration of the term of this Agreement.

13. **Conflict of Interest and Reporting.** CONSULTANT shall at all times avoid conflict of interest, or appearance of conflict of interest, in performance of this Agreement.

14. **Notices.** All notices shall be personally delivered or mailed to the below listed addresses. These addresses shall be used for delivery of service of process.

a. Address of CONSULTANT is as follows:

Ms. Heather Renschler, Project Director
Ralph Andersen & Associates
5800 Stanford Ranch Road, Suite 410
Rocklin, CA 95765

b. Address of CITY is as follows:

Cathy A. Hanson, Director of Human Resources
City of Manhattan Beach
1400 Highland Ave
Manhattan Beach, CA 90266

(with a copy to):

Robert Wadden, City Attorney
City of Manhattan Beach
1400 Highland Ave
Manhattan Beach, CA 90266

15. **Consultant's Proposal.** This Agreement shall include CONSULTANT'S proposal or bid which is incorporated herein. In the event of any inconsistency between the terms of the proposal and this Agreement, this Agreement shall govern.

16. **Licenses, Permits, and Fees.** CONSULTANT shall obtain a Manhattan Beach Business License, all permits, and licenses as may be required by this Agreement.

17. **Familiarity with Work.** By executing this Agreement, CONSULTANT warrants that:

- (1) it has investigated the work to be performed;
- (2) it has investigated the site of the work and is aware of all conditions there; and
- (3) it understands the difficulties and restrictions of the work under this Agreement. Should CONSULTANT discover any conditions materially differing from those inherent in the work or as represented by CITY, it shall immediately inform CITY and shall not proceed, except at CONSULTANT'S risk, until written instructions are received from CITY.

18. **Time of Essence.** Time is of the essence in the performance of this Agreement.

19. **Limitations Upon Subcontracting and Assignment.** Neither this Agreement, or any portion, shall be assigned by CONSULTANT without prior written consent of CITY.

20. **Key Person.** during the term of this Agreement CONSULTANT shall provide the services of Ms. Heather Renschler as Project Director.

20. **Authority to Execute.** The persons executing this Agreement on behalf of the parties warrant that they are duly authorized to execute this Agreement.

21. **Indemnification.** CONSULTANT agrees to indemnify, defend, and hold harmless CITY and its elective or appointive boards, officers, agents, attorneys and employees from any and all claims, liabilities, expenses, or damages of any nature, including attorneys' fees arising out of, or in any way connected with performance of, the Agreement by CONSULTANT, CONSULTANT'S agents, officers, employees, subcontractors, or independent contractor(s) hired by CONSULTANT. This indemnity shall apply to all claims and liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by CONSULTANT.

22. **Modification.** This Agreement constitutes the entire agreement between the parties and supersedes any other agreements, oral or written. No promises, other than those included in this Agreement, shall be valid. This Agreement may be modified only by a written agreement executed by CITY and CONSULTANT.

23. **California Law.** This Agreement shall be construed in accordance with the laws of the State of California. Any action commenced about this Agreement shall be filed in the appropriate branch of the Los Angeles County Municipal or Superior Court.

24. **Interpretation.** This Agreement shall be interpreted as though prepared by both parties.

25. **Preservation of Agreement.** Should any provision of this Agreement be found invalid or unenforceable, the decision shall affect only the provision interpreted, and all remaining provisions shall remain enforceable.

26. **Entire Agreement.** This Agreement supersedes any and all other agreements, either oral or in writing, between the parties with respect to the subject matter herein. Each party to this Agreement acknowledges that representations by any party not embodied herein, and any other agreements, statements, or promises concerning the subject matter of this Agreement, not contained in this Agreement, shall not be valid and binding. Any modification of this Agreement will be effective only if it is in writing signed by the parties.

Any issue with respect to the interpretation or construction of this Agreement are to be resolved without resorting to the presumption that ambiguities should be construed against the drafter.

27. **Attorneys' Fees**. In the event that legal action is necessary to enforce the provisions of the Agreement, or to declare the rights of the parties hereunder, the parties agree that the prevailing party in the legal action shall be entitled to recover attorneys' fees and court costs from the opposing party.

IN WITNESS THEREOF, the parties hereto have executed this Agreement on the day and year first shown above.

CONSULTANT

By _____
Heather Renschler, Chief Executive
Officer/Project Manager

CITY OF MANHATTAN BEACH

By _____
Richard Thompson, Interim City Manager

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

EXHIBIT A SERVICES/SCOPE OF WORK

The CONSULTANT agrees to perform certain services necessary for completion of the search, which services shall include, without limitation, the five phases as detailed in the CITY'S Request for Proposal (#796-10):

- Phase I: Development of Candidate Profile and Recruitment Strategy
- Phase II: Outreach and Advertising Campaign
- Phase III: Candidate Screening
- Phase IV: Candidate selection, background and offer
- Phase V: Appointment
- Phase VI: Start Date (September/October 2010)

EXHIBIT B STANDARD HOURLY BILLING RATES

Ralph Andersen & Associates' standard hourly billing rates are as follows:

Project Director	\$150/hr.
Senior Consultant	\$110/hr.
Consultant	\$80/hr.
Graphics Designer	\$75/hr.
Researcher	\$60/hr.
Support Services	\$50/hr.