Agenda Cover Memorandum

Meeting Date: 1/14/13

Item Title: Provide Staff Direction On Hiring A Search Firm To Find A City Manager

Action Requested:

☐ Approval
☐ For discussion
☒ Feedback requested
☐ For your information

Staff Contact: Kent Oliven, Jim Testin, Mike Suppan

Phone Number: 847-318-5216

Email Address: koliven@parkridge.us, jtestin@parkridge.us, msuppan@parkridge.us

Background:

At the October 22, 2012 Committee of the Whole (COW) meeting the Council discussed directing the Interim City Manager to assemble a request for proposal (RFP) to hire a search firm for a permanent City Manager. Subsequently, an RFP was put out for an executive recruiting firm with expertise in government work. Seven (7) bids came back.

At the November 19, 2012 Regular Council meeting, the Council charged Finance Manager Kent Oliven, CP&D Director Jim Testin, and Human Resource Manager Mike Suppan to take a “thoughtful, professional approach” with the RFP evaluation process so that the Council could discuss the selections at the January 28, 2013 COW.

This memo and the supporting documents summarize the bids, outline some of the issues needed to determine whether to hire an executive search firm, and make a recommendation between the search firms if it is determined that a firm should be hired. [Note that the accompanying City Manager Recruitment Comparison Table oversimplifies some data and that the original bids should be reviewed to clarify some details.]

Recommendation:

Provide Staff Direction On Hiring A Search Firm To Find A City Manager

Budget Implications:

Does Action Require an Expenditure of Funds: ☐ Yes ☒ No

If Yes, Total Cost: (No cost at present)

If Yes, is this a Budgeted Item:

☐ Yes ☐ No ☐ Requires Budget Transfer

If Budgeted, Budget Code (Fund, Dept, Object)

Attachments:

- 2013 01-14 City Manager Recruitment Comparison Table
- 2013 01-14 Recommendation On Hiring A Search Firm For The City Manager Position
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Permanent City Manager Hiring Options & The Committee’s Recruitment Firm Recommendation

I. Introduction
At the October 22, 2012 Committee of the Whole (COW) meeting the Council discussed directing the Acting City Manager to assemble a request for proposal (RFP) to hire a search firm for a permanent City Manager. Subsequently, an RFP was put out for an executive recruiting firm with expertise in government work. Seven (7) bids came back.

At the November 19, 2012 Regular Council meeting, the Council charged Finance Manager Kent Oliven, CP&D Director Jim Testin, and Human Resource Manager Mike Suppan to take a “thoughtful, professional approach” with the RFP evaluation process so that the Council could discuss the selections at the January 28, 2013 COW.

On Tuesday, January 8, 2012 the ad hoc committee of Kent Oliven, Jim Testin, and Mike Suppan met to review their summary of the bids for hiring an executive recruiter to locate a City Manager. [Note that the accompanying City Manager Recruitment Comparison Table oversimplifies some data and that the original bids should be reviewed to clarify some details.]

What follows is an outline of some of the issues that Council will need to consider in order to determine whether to hire an executive search firm, and a recommendation between the search firms if it is determined that a firm should be hired.

[For the record: at no time did any member of the ad hoc committee discuss the number of bidders, who bid, or what was in the bids with the Acting City Manager, who had declared in the November 19, 2012 regular Council meeting his intent to be the first person to apply for the permanent position as City Manager should the Council hire a search firm.]

II. Should A Search Be Conducted?
This committee is not going to weigh in on whether or not a search for a City Manager should happen. That is a decision for the City Council. However, there are some items that the Council may want to consider in weighing that decision.

A. Timing
   i. Pre Search
      Before an executive recruiting firm can conduct a search, but not necessarily before that firm is hired, the Council must take some time to address the answers to many questions, including the following ones:
      - What is the attraction of the community for a potential applicant?
      - What is the job description of the Manager?
      - What is expected of the Manager in the next few years?
      - What are the big issues facing the community?
      - What is the salary range and what are the benefits, such as vacation, administration time, vehicle or vehicle stipend, housing allowance, residency requirement, severance, etc.? Note: benchmarking to other communities would bring the search to the market rate of salaries and benefits, but would take additional time.
   ii. Search Firm Time
      The search firms range from 50 days to 16 weeks to conduct a search. [The 50 day search firm only gives a list of candidates to interview, it is not until a contract is signed.]
   iii. Post Search Firm Time
      After a candidate has been selected and a contract negotiated and signed, it will take 30-60 days before the candidate reports for work (according to the detail in one of the bids).
B. Candidate Quality Concerns
The conclusion of the above timetable approximately coincides with the quadrennial mayoral election which may limit the applicant pool.

C. Cost
Most of the firms have fees that range from $12,500, before expenses, to $23,500, after most expenses. Additionally, municipalities are expected to reimburse candidates’ travel or accommodations for interviews. Most of these fees would come from the current FY13 budget where it is unbudgeted. The fees not paid in FY13 would need to be budgeted in FY14.

III. Search Firm Recommendation (If It Is Determined That One Should Be Hired)
All seven firms that bid appear to have the qualifications and experience to conduct a thorough national search. All have similar pricing. All would probably make a good choice and the Council may want to examine the comparisons themselves. However, the Council has directed this committee to make a recommendation and here is how the committee picked their recommended firm.

Three firms have no recent recruitments for Illinois governments. Two of the remaining four firms not only have a process that can take four months until a hire date, but they also do not state a two year guarantee. Of the remaining two firms, one firm had a firm inception of 2009 with 92 placements, while the other firm had been in business for 18 more years and had over 750 placements. That firm, Slavin Management Consultants, is the committee’s recommendation.

IV. Conclusion
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<tbody>
<tr>
<td>Address</td>
<td>500 E. Lake Cook Road</td>
<td>3040 Holcomb Bridge Rd</td>
<td>Suite A-1</td>
<td>3970 Millerton Place</td>
<td>P.O. Box 27196</td>
<td>5050 Quorum Drive</td>
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<tr>
<td></td>
<td>Deerfield, IL 60015</td>
<td>Suite 11</td>
<td>Atlanta, GA 30338</td>
<td>Suite 100</td>
<td>Cincinnati, OH 45220</td>
<td>Suite 625</td>
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<tr>
<td>Placemet History</td>
<td>92 since 2009</td>
<td>31 for City Manager positions</td>
<td>Has placed over 750 government executives</td>
<td>The firm conducts 60-65 searches per year</td>
<td>10 listed for this specific recruiter</td>
<td>200 executive level positions in the &quot;past few years&quot;</td>
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<td>Lead Recruiter Assigned and Personal/Firm Experience</td>
<td>Greg Ford, VP</td>
<td>36 years of experience working in local government administration and public sector human resources. A relatively young firm, but extensive experience of employees behind it</td>
<td>Bob Slavin, -assistance from David Krings and Paul Wenbert - both with extensive experience. Government career since 1967, 12 years working directly for local governments and 7 as a principal consultant for the largest private sector search firm in the world</td>
<td>James Mercer, – with assistance from Gary Holland and Kamlyn Prince Mercer. He was previous president of Mercer Slavin Novins. 25 years of experience in executive search and management consulting</td>
<td>Robert Neher, Jr. - with the help of associates 30 years experience in executive management and consulting</td>
<td>Catherine Tuck Parrish - 20 years experience serving local governments, 3 years consulting</td>
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<td>Recent Local Recruitments for this Firm</td>
<td>City Manager, Carbondale, IL, Executive Director, Oak Park Park District, IL, Community Development Director, Franklin Park, IL</td>
<td>Executive Director, Metra Rail, Chicago IL</td>
<td>Village Manager, Villa Park IL</td>
<td>City Manager, Peoria, IL</td>
<td>City Manager, Naperville, IL</td>
<td>None in Illinois</td>
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<td>Process</td>
<td>Position assessment, job announcement and brochure development, Advertising, candidate recruitment and outreach, Candidate evaluation and screening, Presentation of recommended candidates, Interview process, Appointment of candidate</td>
<td>Position analysis, Recruitment process, Identify qualified candidates, Review and screening, Evaluate prospective candidates, Selection and employment</td>
<td>Scope of service, Key meetings, Initial candidate screening, Interview process, Background investigation, Interview process, Negotiation and Follow up</td>
<td>Develop recruitment plan and position profile, Conduct aggressive recruitment, Support candidate selection</td>
<td>Prepare recruitment profile, Develop position announcement, Conduct recruitment, Screen applicants, Conduct reference interviews and background checks</td>
<td>Conduct aggressive recruitment, Support candidate selection</td>
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<td>Candidates Presented</td>
<td>5 candidates to interview in the first round and then 2 or 3 for the second round. They will be present for all interviews.</td>
<td>12 semifinalists and about 5 finalists are presented for interviews with City Council. They do not rank the candidates as it is a matter of “personal chemistry.”</td>
<td>Provides a matrix display of the top candidates for review based on criteria. Then they interview everyone personally. Top candidates are then interviewed by City Council.</td>
<td>Pool of about 40-200, Narrowed to 10-15. 5-6 is the average number of finalists invited to interview. Summary information provided on the leading candidates.</td>
<td>After they conduct preliminary interviews, will present 3-5 candidates for City to interview.</td>
<td>Screen and reduce to a “group of semi finalists” via resume review.</td>
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<td>Sources used</td>
<td>Professional publications (print and online) LinkedIn Other private sector resources Outreach through U.S. mail and telephone contacts Relies heavily on their own contacts in the city manager field – networking Prof publications Classified ads</td>
<td>Relies heavily on their own contacts in the city manager field – networking Prof journals On-line Websites</td>
<td>Local, state, and national publications, on-line sites, target networks. Social media, targeted mailings</td>
<td>State and national publications, on-line sites, target networks. Social media, targeted mailings</td>
<td>Help prepare ad copy. Ad placement and payment is the City's responsibility. Will initiate calls to cultivate interest</td>
<td>National, state and local elements. Their own &quot;highly accessed&quot; website</td>
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<td>Start (Hire Firm) to Finish (Hire Candidate)</td>
<td>Timetable Estimate</td>
<td>Fees</td>
<td>Payment</td>
<td>Follow up</td>
<td>Guarantee</td>
<td>Notes</td>
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<td>Voorhees Associates, LLC</td>
<td>90 days</td>
<td>$12,500</td>
<td>Billed in 3 equal payments</td>
<td>6 months of telephone consultation following the recruit</td>
<td>Guarantee not mentioned</td>
<td>Heidi Voorhees spent 8 years with the PAR group. She has conducted 130 recruitments in her career.</td>
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<td>Slavin Management Consultants</td>
<td>60-90 days</td>
<td>$13,865</td>
<td>4 payments: 30% 30% 30% 10%</td>
<td>1 year to assist with any adjustments that may be necessary</td>
<td>Guarantee not mentioned</td>
<td>Impressive client list and staff resumes.</td>
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<td>The Mercer Group, Inc.</td>
<td>90-120 days</td>
<td>$15,000</td>
<td>Upon presentation of receipts and itemized statements</td>
<td>1 year to assist with any adjustments that may be necessary</td>
<td>1 year replacement guarantee. If the City chooses to terminate the candidate for certain reasons, they will reopen the search and replace the person for no additional professional fee.</td>
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<td>Neber &amp; Associates</td>
<td>120 days</td>
<td>$12,500</td>
<td>Invoices sent monthly base on completed tasks</td>
<td>Follow up over the next year for feedback and consultation.</td>
<td>Guarantee not mentioned</td>
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<td>Novak Consulting Group</td>
<td>16 weeks</td>
<td>Total fee not to exceed $17,900. Does not include any direct costs such as advertising, background checks or candidates' travel or accommodations</td>
<td>One half due up front, balance due upon delivery of written findings.</td>
<td>Follow up over the next year for feedback and consultation.</td>
<td>Guarantee not mentioned</td>
<td>The overall approach is more advice driven with the City assuming much more of the work.</td>
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<tr>
<td>Austin Peters Group</td>
<td>12 weeks</td>
<td>$18,500</td>
<td>4 payments: 30% 30% 30% 10%</td>
<td>None mentioned</td>
<td>Guarantee not mentioned</td>
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<tr>
<td>Waters Consulting Group</td>
<td>Will deliver a group of finalists in 50 days</td>
<td>$23,500</td>
<td>All-inclusive</td>
<td>Performance appraisal after 12 months for project costs only.</td>
<td>Guarantee not mentioned</td>
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<td>Guarantee not mentioned</td>
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Please note that in order to compile this table some details had to be summarized. Please refer to the bids for additional details.