

**AGENDA**



**Recommendation for Council Action (Purchasing)**

<b>Austin City Council</b>	<b>Item ID:</b>	67878	<b>Agenda Number</b>	29.
<b>Meeting Date:</b>	February 9, 2017			
<b>Department:</b>	Purchasing			
<b>Subject</b>				
Authorize negotiation and execution of a contract with RALPH ANDERSEN & ASSOCIATES, GovHR and TRANSEARCH, or RUSSELL REYNOLDS to provide recruiting services for the selection of a new City Manager, in a possible amount not to exceed \$122,800, depending on final firm selection.				
<b>Amount and Source of Funding</b>				
Funding is available in the Fiscal Year 2016-2017 Operating Budget of Management Services.				
<b>Fiscal Note</b>				
A fiscal note is not required.				
<b>Purchasing Language:</b>	Professional Service			
<b>Prior Council Action:</b>	December 8, 2016 – Council directed staff to conduct a new expanded search. January 31, 2017 – Council discussion on search firm options.			
<b>For More Information:</b>	Shawn Willett, Deputy Purchasing Officer, 512-974-2021; Debbie Maynor, Human Resources Department Assistant Director, 512-974-3376			
<b>Boards and Commission Action:</b>				
<b>Related Items:</b>				
<b>MBE / WBE:</b>	This procurement was reviewed for subcontracting opportunities in accordance with City Code Chapter 2-9C Minority Owned and Women Owned Business Enterprise Procurement Program. For the services required for this procurement, there were insufficient subcontracting opportunities; therefore, no subcontracting goals were established.			
<b>Additional Backup Information</b>				

The contract will provide professional recruiting services for the selection of a new City Manager. These services will augment those of the Human Resources Department.

In September 2016, based on direction from Council, a Request for Qualifications Statement (RFQS) process was initiated to solicit information from executive search firms that would perform recruiting services for a City Manager. In November 2016 ten (10) responses were received and evaluated. A Council briefing was held in December 2016 to share the results of the RFQS process; staff recommended Ralph Andersen & Associates be selected as the firm to provide the City Manager recruitment. Following discussion, Council provided direction to cancel the RFQS and to research a broader pool of recruiting firms to include those with a private-sector focus. Staff completed the research and received proposals from four private sector focused executive recruitment firms. Staff reviewed and evaluated the responses and identified one firm as the most qualified. Council asked staff to pursue the possibility of receiving proposals from consulting firms willing to provide a partnership between a private sector focus and a public sector focus. One joint proposal was received from GovHR (Public sector focused) and Transearch (Private sector focus). On January 31, 2017 staff provided Council with three options to consider in selecting an executive recruitment firm:

Ralph Anderson & Associates (public sector focused); GovHR/Transearch (Joint proposal); or Russell Reynolds Associates, Inc. (private sector focused).

The recruiting services to be provided includes defining the position profile in consultation with Council, key staff, stakeholders, and community members, sourcing qualified candidates, evaluating prospective candidates and keeping the City up-to-date as the process moves forward, selecting semifinalists and finalists, in-depth background screenings, reporting on the finalists, facilitating interviews with Council, key stakeholders, panels, town hall meetings, and other groups as designated, and assisting with the negotiation of an employment agreement with the identified top candidate.

The position will be guaranteed for one year. Therefore, if the selected candidate leaves the position in the first 12 months, a new search will be conducted at no cost to the City. All work related to the recruitment shall be completed within 120 days unless otherwise directed by the City.

For each of the three options presented to council, the firm's provided a proposal that detailed the potential contract cost. Ralph Anderson & Associates e, Inc. estimated a cost of \$68,000 plus travel and expenses, GovHR and Transearch estimated a cost of \$74,000 plus travel and expenses, and Russell Reynolds estimated a cost of 1/3 the annual compensation amount plus a fee of \$4,800 (estimated to be \$122,800 total) plus travel and expenses. The exact cost of services will be based on the exact services provided in the executive search process, as yet to be determined by the City Council. This contract will be awarded in an amount based on the firm that is selected by Council.

If the City is unable to secure the contract, the recruitment will be conducted solely with existing staff who would be unable to devote the necessary time to this process to ensure the best available candidate is identified.