

**Council Meeting: March 18, 2008****SUBJECT: RECRUITMENT PROCESS FOR CITY MANAGER/SELECTION OF EXECUTIVE RECRUITMENT FIRM****REPORT IN BRIEF**

This report outlines the general parameters for the recruitment and selection process for a new City Manager. The City Council is asked to provide direction to staff regarding the selection of an executive search recruitment firm based upon interviews of consultants held on March 4, 2008.

**BACKGROUND**

At the City Council meeting of December 11, 2007, the City Council accepted City Manager Amy Chan's notice of retirement. The City Council asked Ms. Chan to continue as City Manager until a new City Manager is appointed by the City Council and begins employment. The City Council also requested that the Human Resources Department provide information regarding recruitment and selection process options. The City Council also interviewed executive search recruitment firms at their study session of March 4, 2008.

**EXISTING POLICY**

Section 800 of the Sunnyvale City Charter states, in part, "The City Manager shall be chosen by the City Council on the basis of his/her executive and administrative qualifications."

**DISCUSSION**

The following information is provided in response to the City Council's December 11, 2007 request for information on the options for the recruitment and selection of a new City Manager. A document prepared by the International City Manager's Association (ICMA) entitled "Recruitment Guidelines for Selecting a Local Government Administrator" is also attached to this Report to Council for the City Council's information.

**Executive Recruiter vs. In-House Recruitment:**

The vast majority of California cities utilize an executive recruitment consulting firm to conduct City Manager recruitment. While Human Resources Department staff has the technical expertise to conduct the recruitment in-house, there are significant advantages to utilizing the services of an executive recruitment consulting firm. In addition to performing a comprehensive scope

of recruitment and selection services, which will be described later in this report, the primary advantage of utilizing an executive recruitment consulting firm is their ability to conduct significant applicant outreach. Additionally, because these consultants conduct a number of executive searches for a variety of cities in the course of a year, they are familiar with the applicant pool and will likely be aware of viable candidates who would be interested in applying for the City of Sunnyvale City Manager position.

Due to the large number of retirements of public sector executives in recent years, the applicant pool of potential City Managers continues to shrink. In addition, Sunnyvale will be competing with at least three other Bay Area cities, Palo Alto, Concord and Redwood City, which are also searching for new City Managers. Because of the competitive nature of the current recruiting climate, in order to obtain the best possible pool of candidates, it is essential that a significant outreach effort be undertaken. When recruiting for a position at the City Manager level, often times the best candidates must be sought out and their participation in the recruitment process encouraged. Executive recruitment consulting firms with significant public sector experience maintain databases of potential applicants and have the skill and expertise to perform this vital outreach effort. While staff is clearly recommending the City utilize the services of an executive recruitment consulting firm, it is also recommended that the Human Resources Department, primarily the Human Resources Director, oversee and manage the services of the consultant.

Over the last three years, the City of Sunnyvale has had significant experience with utilizing executive recruitment firms to perform recruitment and selection processes for a variety of department director positions, including Public Safety Director, Library Director, Human Resources Director, Parks and Recreation Director, Information Technology Director, Community Development Director, and the Council appointed position of City Attorney. The Human Resources Department provided oversight and technical assistance to the executive recruitment firm staff in all of these processes.

### **Selecting an Executive Recruitment Consulting Firm:**

At the direction of the City Council, staff asked several executive recruitment firms to submit proposals for the City Manager recruitment. The following firms submitted proposals:

FIRM	PROFESSIONAL FEES	ESTIMATED EXPENSES (advertising/ brochures/travel, etc)	ESTIMATED TOTAL
Alliance Resource Consulting	\$18,000	\$6,500 - \$8,500	\$26,500
CPS Executive Search	\$18,000	\$6,000 - \$8,000	\$26,000
William Avery & Associates	\$18,400	Up to \$8,500	\$26,900
Bob Murray & Associates	\$17,500	\$5,500 - \$6,900	\$24,400

It is noted that the quoted professional fees are fixed cost and are relatively equal among all of the consultants. The quoted expenses are estimates and actual expense costs will vary based upon a variety of factors including advertising and travel costs.

The City Council interviewed each firm at their study session meeting on March 4, 2008. At that time the Council indicated they would make a formal selection of an executive recruitment firm at the meeting of March 18, 2008.

**SUMMARY OF RECRUITMENT AND SELECTION PROCESS:**

As described by all of the executive recruitment firms, there are several necessary components to recruit the best City Manager candidates for the City of Sunnyvale. The typical recruitment and selection process performed by an executive recruitment consulting firm would include:

- Developing the City Manager Position Profile - The consultant would meet with key stakeholders to identify the organizational needs, and professional attributes and skills needed for the position. This process would involve individual interviews with the City Council members, Department Directors, and key staff. The City Council may also want to consider holding community outreach meetings or developing a survey tool to provide the public with an opportunity for input in the position profile. The specific details of the development of the profile would be established in an initial scoping meeting between the recruiter and the City Council.
- Prepare the Recruitment Brochure, Marketing Materials and Advertising Plan - A recruitment brochure would be developed based upon the position profile and organizational needs analysis.

In addition, other marketing materials might be prepared such as direct mailing letters, and an advertising campaign in professional journals, websites, newsletters, and other appropriate sources.

- Candidate Outreach - While traditional advertising and marketing are helpful, the best candidates often must be sought out and their interest encouraged. Again, this is the most important service performed by a recruiting firm.
- Candidate Assessment and Initial Screening - The consultant will screen applicants to determine if they match the developed candidate profile. A consultant will typically interview a number of candidates to narrow the field of candidates prior to the selection of finalists.
- Presentation of Finalist Candidates - The consultant will provide a comprehensive evaluation of potential candidates, and provide recommendations for the selection of finalist candidates.
- Candidate Interviews/Selection Process - Together with the Human Resources Department, the consultant will arrange for interviews and develop selection procedures for the finalist candidates. Typically, 5-7 finalists are selected for participation in the selection process. Structured interviews with the City Council, Department Directors, and other stakeholders, as determined by the City Council, will be held. At the study session of February 12, 2008, the Council discussed possible panel participants and a process for the selection of panel participants. The specific panel makeup, number of interview panels, questions/exercises can be reviewed and finalized at a later date with the selected consultant, Human Resources and the City Council.
- Candidate Selection/Background Checks/Employment Contract - The consultant will assist the City Council with follow-up interviews, finalist selection, appropriate background and reference checks, and finally the formulating and documentation of appropriate compensation and other employment arrangements. The Council has also discussed the possibility of arranging a site visit to the finalists' current employment location. Again, the selected consultant and Human Resources will assist the City Council in arranging this site visit.

The above discussion is intended to provide a summary of the City Manager recruitment and selection process. The selected consultant firm will provide additional details about the process and necessary decision points directly to the City Council as they may arise. The above discussion demonstrates that the recruitment and selection process is complex and time consuming. Based

upon the various steps associated with the recruitment and selection process, it is estimated that it will be appropriately 16-20 weeks from the time the consultant is hired until a candidate is selected. This estimate could be longer depending upon City Council availability for meetings with the consultant, advertising deadlines, scope of the interview and selection processes that are chosen.

At the study session of March 4, 2008, the Council directed staff to provide them with specific information on the guidelines to insure candidate confidentiality. After the executive recruitment firm is hired, Human Resources together with the consultant will provide the City Council with such a document.

### **FISCAL IMPACT**

There is no current fiscal impact associated with the recruitment and selection process for the new City Manager. Sufficient funds have been included in the Human Resources Department budget to hire an executive recruitment consulting firm.

### **PUBLIC CONTACT**

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, in the Council Chambers lobby, in the Office of the City Clerk, at the Library, Senior Center, Community Center and Department of Public Safety; posting the agenda and report on the City's Web site; and making the report available at the Library and the Office of the City Clerk.

### **ALTERNATIVES**

1. That the City Council selects either Alliance Resource Consulting, CPS Executive Search, William Avery & Associates or Bob Murray & Associates to administer the recruitment and selection process for a new City Manager.
2. Do not utilize an executive recruitment firm and direct Human Resources Department staff to administer the recruitment and selection process.
3. Take no action at this time.

### **RECOMMENDATION**

Staff recommends adoption of Alternative #1 and that the City Council selects either Alliance Resource Consulting, CPS Executive Search, William Avery & Associates or Bob Murray & Associates to administer the recruitment and selection process for a new City Manager.

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Approved by:

Amy Chan  
City Manager

**Attachment**

- A. International City Manager's Association (ICMA) – Recruitment Guidelines for Selecting a Local Government Administrator
- B. Proposals from consultants.