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OFFICE OF THE CITY CLERK
OAKLAND

2014 NOV -6 AM 10:36

AGENDA REPORT

TO: HENRY L GARDNER
INTERIM CITY ADMINISTRATOR

FROM: Anil Comelo

SUBJECT: Extension of Executive Recruitment Contracts **DATE:** October, 29, 2014

City Administrator
Approval

Date

11/6/14

COUNCIL DISTRICT: City-Wide

RECOMMENDATION

Staff recommends that the City Council adopt:

A RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR OR DESIGNEE TO:

- 1) EXECUTE A ONE (1) YEAR CONTRACT EXTENSION (JANUARY 1, 2015 TO DECEMBER 31, 2015) WITH AVERY ASSOCIATES, INC., FOR EXECUTIVE RECRUITMENT SERVICES AT A COST OF \$90,000 FOR A TOTAL CONTRACT AMOUNT NOT TO EXCEED \$172,900 AND WAIVE THE COMPETITIVE REQUEST FOR PROPOSALS/QUALIFICATIONS PROCESS**

- 2) EXECUTE A ONE (1) YEAR CONTRACT EXTENSION (JANUARY 1, 2015 TO DECEMBER 31, 2015) WITH MANAGEMENT PARTNERS, INC., AT A COST OF \$97,500 FOR A TOTAL CONTRACT AMOUNT NOT TO EXCEED \$150,000 AND WAIVE THE COMPETITIVE REQUEST FOR PROPOSALS/QUALIFICATIONS PROCESS**

EXECUTIVE SUMMARY

Staff seeks the extension of two existing executive recruitment contracts that were awarded as a result of a formal Request for Qualifications process in 2013. The contracts are slated to expire on December 31, 2014. Extending the contracts with the two firms - Avery Associates and Management Partners - will allow immediate access to critically important executive recruitment services.

OUTCOME

Authorization of this resolution will result in an extension of the current contracts with Avery Associates and Management Partners for one (1) year to provide executive recruitment through

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December 31, 2015. The contract amount for the Avery Associates' contract will increase by \$90,000, with a new total contract amount not to exceed \$172,900, and the Management Partners' contract will increase by \$97,500 for a new total contract amount not to exceed \$150,000. This will allow the City to initiate recruitment efforts for high-level management positions expeditiously when vacancies occur.

BACKGROUND/LEGISLATIVE HISTORY

On July 3, 2012, the City of Oakland issued a request for qualifications (RFQ) for executive recruitment services. As a result of that RFQ process, the City entered into contract with four executive recruitment firms in August 2013. The four firms were Bob Murray and Associates, Avery Associates, Management Partners, and Neher and Associates, LLC.

Since the initiation of the contracts, the City has utilized all four executive search firms for a variety of executive level recruitments based on the specific capabilities and experiences of the firms. Of the four firms, Bob Murray Associates has withdrawn and the contract with Neher and Associates has expired. The contracts with Avery Associates and Management Partners are active through December 31, 2015.

ANALYSIS

Executive level vacancies need specialized expertise and attention. When vacancies occur at the executive or senior staff level, the City occasionally utilizes the assistance of an executive search firm. Executive search firms can provide a variety of specialized services. These specialized services include extensive marketing efforts, confidential outreach to targeted candidates, rigorous reference checks, and compensation negotiation. The City does not possess such capabilities in-house.

The two firms (Avery Associates and Management Partners) are both highly qualified and have proven performance records on facilitating the City's executive searches and identifying qualified candidates for high-level management positions. Since the two firms have been identified and vetted previously through a formal RFQ process, it would be prudent for the City to continue to work with Avery Associates and Management Partners on current and upcoming executive recruitments.

An RFQ process would take at least several months to complete and possibly longer (the last RFQ process took approximately one year to complete), and the City urgently needs to have a highly qualified executive recruitment firm available to conduct recruitments. So complying with the advertising requirements and completing a full RFQ process would seriously impede the City's ability to conduct executive recruitments. Since the two firms were selected relatively recently and were approved by City Council in August 2013, it would be inefficient to undergo a new advertising and RFQ process. The Human Resources Management Department however

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does intend to initiate a new RFQ process at some point in 2015 to identify executive search firms for future recruitments.

PUBLIC OUTREACH/INTEREST

On July 3, 2012, the City of Oakland issued a request for qualifications (RFQ) for executive recruitment services. As a result of that RFQ process, the City entered into contract with four executive recruitment firms in August 2013. The four firms were Bob Murray and Associates, Avery Associates, Management Partners, and Neher and Associates, LLC.

COORDINATION

This report has been reviewed and approved by the City Attorney's Office and the Budget Office.

COST SUMMARY/IMPLICATIONS

1. COST ELEMENTS OF AGREEMENT/CONTRACT

The fee for executive recruitments can vary widely from approximately \$15,000 to \$30,000 per recruitment depending upon a variety of factors including recruitment scope, complexity, and public engagement efforts required. In addition to the basic fee assessed for recruitments, the firms typically charge the City for expenses also. These expenses can include travel cost for recruiters, advertisement costs, and the printing and duplication of marketing/exam materials.

2. SOURCE OF FUNDING

All expenses related to executive recruitments are charged to the departments seeking executive recruitment services.

3. FISCAL IMPACT

None; expenses are paid using accrued salary savings.

PAST PERFORMANCE, EVALUATION AND FOLLOW-UP

Avery Associates and Management Partners are both highly qualified executive search firms and have proven performance records on facilitating the City's executive searches and identifying qualified candidates for high-level management positions.

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SUSTAINABLE OPPORTUNITIES

Economic: No economic opportunities are identified in this report.

Environmental: No environmental opportunities are identified in this report.

Social Equity: No social equity opportunities are identified in this report.

CEQA

This report is not a project under CEQA.

For questions regarding this report, please contact Anil Comelo, Human Resources Management Director, at (510) 238-6450.

Respectfully submitted,



ANIL COMELO
Director, Human Resources Management

Reviewed by:
Deborah Barnes, Director
Contracts & Compliance

DRAFT

City Attorney

OAKLAND CITY COUNCILFILED
OFFICE OF THE CITY CLERK
OAKLAND**RESOLUTION No. _____ C.M.S.**

2014 NOV -6 AM 10:36 Introduced by Councilmember _____

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- 2) EXECUTE A ONE (1) YEAR CONTRACT EXTENSION (JANUARY 1, 2015 TO DECEMBER 31, 2015) WITH MANAGEMENT PARTNERS, INC., AT A COST OF \$97,500 FOR A TOTAL CONTRACT AMOUNT NOT TO EXCEED \$150,000 AND WAIVE THE COMPETITIVE REQUEST FOR PROPOSALS/QUALIFICATIONS PROCESS

WHEREAS, executive level vacancies need specialized expertise and attention; and

WHEREAS, such specialized services can include confidential outreach to targeted candidates, rigorous reference checks, extensive niche marketing efforts, and compensation negotiation; and

WHEREAS, the City of Oakland does not possess such capabilities in-house; and

WHEREAS, it is in the interest of the City to utilize the services of executive recruitment firms to identify and screen desirable candidates for executive level vacancies; and

WHEREAS, the City had undertaken an extensive Request For Qualifications (RFQ) process in July 2012 which resulted in the selection of four (4) firms in August 2013 including Avery Associates and Management Partners to provide executive recruitment services; and

WHEREAS, it took a approximately one year to complete the last RFQ process (from July 2012 to August 2013), and

WHEREAS, the City urgently needs to have a highly qualified executive recruitment firm available to conduct recruitments; and

WHEREAS, both of these firms are highly qualified and have proven performance records on facilitating the City's executive searches and identifying qualified candidates for high-level management positions; and

WHEREAS, these two firms have been identified and vetted previously through a formal RFQ process; and

WHEREAS, it would be prudent and efficient for the City to continue to work with Avery Associates and Management Partners on current and upcoming executive recruitments, and

WHEREAS, Oakland Municipal Code section 2.04.051.A requires the City Administrator to conduct a request for proposals/qualifications (RFP/Q) process for professional services contracts in excess of \$25,000 and Oakland Municipal Code section 2 04 051 B allows Council to waive the RFP/Q requirements upon a finding by the Council that it is in the best interest of the City to do so; and

WHEREAS, City staff recommends waiving the RFP/Q requirements for this contract for the reasons stated above; and

RESOLVED: That the City finds and determines the forgoing recitals to be true and correct and hereby adopts and incorporate them into this Resolution; and be it

FURTHER RESOLVED: That the competitive RFP/Q process is hereby waived in the best interests of the City based on the forgoing findings, and be it

FURTHER RESOLVED: That pursuant to OMC 2.04 051 B and for the reasons stated above and in the Human Resources Management Director's report accompanying this item, the City Council finds that it is in the best interests of the City to waive the RFP/Q requirements for this contract and so waives the requirements; and be it

FURTHER RESOLVED That based on information provided by the City Administrator, the Council finds that this contract is of a professional and temporary nature and shall not result in the loss of employment or salary by any person having permanent status in the competitive civil service; and be it

FURTHER RESOLVED: That the City Council of the City of Oakland authorizes the City Administrator or designee to extend the existing executive recruitment contracts with Avery Associates and Management Partners for one year to December 31, 2015, in amounts not to exceed \$172,900 and \$150,000 respectively, and be it

FURTHER RESOLVED, that the funding will be available from salary savings in departments seeking executive recruitment services upon the existence of such vacancies; and be it

FURTHER RESOLVED, that the City Attorney will approve the contracts as to form and legality and copies will be on file in the Office of the City Clerk; and be it

FURTHER RESOLVED, that this Resolution shall take effect immediately upon its passage.

IN COUNCIL, OAKLAND, CALIFORNIA, _____

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, GALLO, GIBSON MCELHANEY, KALB, KAPLAN, REID, SCHAAF and PRESIDENT KERNIGHAN

NOES -

ABSENT -

ABSTENTION -

ATTEST _____
LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California