



The Mercer Group, Inc.

Consultants to Management

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February 1, 2016

Mayor and City Council
City of Gunnison
201 W. Virginia Avenue
Gunnison, Colorado 81230

Dear Mayor Hagan and Distinguished Members of Council:

The Mercer Group is pleased to submit this proposal in response to your need for a City Manager. We are very interested in assisting the City of Gunnison with this critical recruitment and will gladly begin work at your convenience to ensure a smooth process.

We are well-experienced and very deliberate in determining the standards expected by municipal officials, so that our searches are well-founded from the beginning. We will collaborate with City Council and staff in order to develop an accurate position profile that best reflects the needs of both the organization and the community, as a whole. We are also very familiar with Colorado law regarding confidentiality, open meetings and public information. ***Our unconditional guarantee is for a 24-month period*** following the date of placement; we will replace the Manager for out of pocket expenses only.

We have conducted many nationwide searches for municipalities, counties, special districts, and non-profit organizations. We specialize in recruitment for Colorado and are very familiar with all the nuances and laws applicable just to this State. The Mercer Group has completed the following similar searches in Colorado:

- Town of Minturn, City Manager
- City of Littleton, City Manager
- City of Sheridan, City Manager
- Estes Park, Town Manager
- Town of Erie, Town Administrator
- City of Boulder, City Manager
- City of Centennial, City Manager
- Federal Heights, City Manager
- City of Greeley, City Manager
- Pagosa Springs, Town Manager

We will also call upon other Mercer associates to establish broad search networks and channels.

Thank you for the opportunity to respond to this important recruitment. It would be our pleasure to work with you. Please call us at 919-496-2080 or email us at MercerNC@aol.com with any questions.

Sincerely Yours,

THE MERCER GROUP, INC.

Phillip G. Robertson
Senior Vice President

Enclosures

CITY OF GUNNISON

Proposal for Executive Recruitment Services

for the Position of

CITY MANAGER

FEBRUARY 1, 2016

THE MERCER GROUP, INC.

North Carolina Office

3443 Highway 39 North

Louisburg, NC 27549

919-496-2080

I. INTRODUCTION, BACKGROUND, AND OBJECTIVES

This section presents our understanding of the City of Gunnison requirements for this search, as well as the objectives and scope of the project.

A. Introduction and Background

It is our understanding that:

- It is the intention of the City Council to provide an efficient, deliberate selection process for the new City Manager using assistance from a professional search firm.
- Services proposed include position analysis and preparation of a position profile; recruitment for the position; inviting potential candidates to apply; reviewing and screening applications; conducting preliminary interviews and background checks of selected candidates; recommending a list of final candidates; coordinating final interviews; communicating throughout the process.
- The City wishes to conduct a comprehensive national recruitment process, to ensure the best-qualified candidates are found and that the best-qualified individuals are considered for the position.

We are confident that The Mercer Group will be able to draw from among the finest municipal management professionals nationally for this critical position at the City of Gunnison.

B. Objectives

The objectives that we propose in order to help find the best-qualified candidates for the position are as follows:

- To conduct on-site needs assessment for the new City Manager.
- To develop a comprehensive position profile.
- To encourage top-level people to apply, through direct personal contact, who might otherwise be reluctant to respond to an advertisement.
- To save a considerable amount of the Council's and staff's time in establishing a position profile and reviewing applicants.

- To comply with appropriate personnel regulations and laws (e.g. EEO, ADA, COBRA, etc.).
- To independently and objectively assess the qualifications and suitability of candidates for the position.
- To recommend a pool of semi-finalist and finalist candidates to the City Council.
- To conduct a public forum for the community to meet the finalist candidates.
- To coordinate finalist candidate interviews with the Council and others, as appropriate.
- To respond to all candidate inquiries and produce all correspondence throughout the search.
- To preserve the confidentiality of inquiries to the degree possible under Colorado law.
- To assist the City Council in reaching a final decision.
- To keep the Council closely involved in key decisions and informed of our progress.

II. FIRM HISTORY, QUALIFICATIONS AND STAFFING

A. Firm Qualifications

The Mercer Group is an independent management-consulting firm incorporated in the State of Georgia and operating nationwide as a consortium of independent consultants. James L. Mercer, a long-term public management consultant, founded the firm in 1990.

Through its consortium of highly skilled professional consultants, The Mercer Group provides exceptionally high quality management consulting services to state and local governments, transit authorities, health care providers, utilities, special districts, and

private sector clients. Our key consultants have conducted successful searches for hundreds of public sector organizations nationally and can offer numerous references as testimony of our work. Public sector clients constitute over 90% of our business.

James Mercer has conducted or assisted in the conduct of more than 250 successful executive searches in recent years. He is the Chief Executive Officer of our firm and is located at our Santa Fe office.

B. Resumes of Our Key Staff

Phillip Robertson, Senior Vice President and Principal Consultant

Mr. Robertson is a senior consultant with the Mercer Group specializing in executive search, compensation and classification studies, and organizational analysis. He engages consulting clients nationwide from our North Carolina office. Mr. Robertson was previously the Management Information Systems Manager for the North Carolina Division of Employment and Training. He has 35 years' experience in the public sector, including serving as Personnel Manager for a Division of the North Carolina State Government.

A Former Assistant City Manager for Clayton, North Carolina, Mr. Robertson has a BA in History from Wake Forest University in Winston-Salem, North Carolina and a Master's degree in Public Administration from Appalachian State University in Boone, North Carolina.

Phillip G. Robertson
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James L. Mercer, President and Founder

Mr. Mercer holds a Master of Business Administration degree from the University of Nevada, Reno, and a Bachelor of Science degree in Industrial Management from the same institution. He has also received a Certificate in Municipal Administration from the University of North Carolina at Chapel Hill and is a graduate of the Executive Development Program at Cornell University. Mr. Mercer is a Certified Management Consultant (CMC) and has 40 years of experience in executive search and management consulting. He has authored or co-authored five books and has written more than 200 articles on various

management topics. His experience covers the following functional areas: executive search, organization and operations analysis, management systems, productivity improvement, seminars/training, goal setting, strategic planning, privatization, government, consolidation, and general consulting.

Prior to founding The Mercer Group, Inc., Mr. Mercer held positions as President of Mercer, Slavin & Nevins, Inc.; Regional Vice President of Wolfe & Associates, Inc.; as Partner and Vice President of Korn/Ferry International; General Manager of Battelle Southern Operations; National Program Director for Public Technology, Inc.; and Assistant City Manager of Raleigh, North Carolina.

III. OUR APPROACH, WORK PLAN AND SCHEDULE

A. Approach

Our approach and style are interactive. That is, we form a partnership with our client to conduct the project. The staff and others that you may ask to participate in the process will benefit by gaining more in-depth knowledge and understanding of the professional screening process and selection of candidates, thereby creating ease of implementation.

B. Work Plan

We recommend a seven (7)-step search process as follows:

1. Position Analysis

We will have extensive consultation with the City Council and staff as well as other individuals or groups (if you wish) to learn the City's vision/mission, goals and objectives, the needs and issues, requirements of the job, and to verify information about the environment within which the position functions. We will spend a considerable amount of time at the beginning of the process in Gunnison in order to improve our knowledge of the City organization.

During this process, we will initiate individual interviews with the Council, Manager, department heads and key staff to identify expectations, perceptions, and issues regarding the position, as well as the expected characteristics of the next successful City Manager.

Based on those meetings and interviews, we will prepare a draft position profile and review it with the Council in order to arrive at a general agreement regarding the specifications for the position. The final position profile will include information about the City, the

community, major issues to be faced, the position, and the selection criteria established. Our Position Profiles are found to be thoroughly informative to prospective candidates.

2. Recruitment Process

We will review our database to determine those candidates whom we may already know and/or already have on file who may meet the City's specifications.

Therefore, we will rely most heavily on our own contacts in the municipal management field and on our own experience. In other words, through "networking" (not just advertising), we will conduct a nation-wide professional search for the best qualified candidates and invite them to apply for the position. The Position Profile is a very effective tool during this phase of direct recruitment.

We will also provide the Council with advertising alternatives. Based on those discussions, we will place ads in professional journals, national, regional and local web sites, and many other channels to encourage applicants to apply. We are accustomed to using professional sources also that are relied upon by minority and women candidates.

3. Resume Review

We will review and analyze each applicant's background and experience against the position description criteria. We will acknowledge all resumes received and keep applicants informed of their status.

4. Candidate Screening

Criteria for the preliminary screening will be contained in the approved Position Profile. They may include such items as education, technical knowledge, experience, accomplishments, management style, personal traits, etc. Screening of candidates against those criteria will be based on data contained in the resumes and other data provided by the candidates and on our knowledge of the organizations in which they work. At this stage, each must meet the minimum qualifications specified in the Position Profile.

We will be responsible for screening the applications received. This initial screening will be conducted in person, by telephone, or via internet with a group of 12-15 leading candidates.

Once the initial screening is completed, we will select 6-8 leading candidates who most closely match the criteria established by the City Council. The output of this step in the process will be a matrix display of leading candidates showing how each rates against the selection criteria established by the Council (Exhibit I). This matrix will be reviewed with

the Council and guidance obtained prior to proceeding. It will include “thumbnail” comments about each proposed finalist with respect to some of the key selection criteria, and we will include the *resumes* of the proposed finalists.

We will assist the City to identify a shorter list of those potential finalists who appear to be the most promising to invite for interviews. One contingency here is that the City may not approve of any of the candidates. If that should occur, we would, of course, keep searching until the City's needs are clearly met.

5. Background Investigation Procedures

As part of our process in evaluating your top candidates, we make detailed and extensive background checks. In conducting these, it is our practice to speak directly to individuals who are now or have previously been in positions to evaluate the candidate's job performance. We also verify past employment difficulties, if any, including any legal action filed against former employers.

As part of our evaluation process, we verify undergraduate and graduate college degrees. As an additional option, we can arrange for credit checks, criminal checks, psychological testing of the candidates that may be desired. (These may be extra cost items.)

6. Interview Process

Based on the preceding steps, an interview guide and report on the finalists will be compiled. We will prepare a written summary on each finalist. The information will cover, but not be limited to, 1) present position, 2) total years experience, 3) salary requirements, 4) education, 5) previous positions held, 6) notable projects, 7) management style, 8) skills and abilities, and 9) professional goals. This information will be presented to the City Council in a detailed written format combined with the results of the background investigation and candidate screening.

Our report will be presented in a meeting with the City Council and key staff in which we will discuss our findings and provide background information, sample questions and a rating form for the interviews. Targeted questions will be recommended related to Gunnison's issues, management concepts and competencies as well as work experience.

We will also provide the Council with our recommendations relative to timing, sequencing, location, setting, format, and conduct of interviews with the finalists. We will arrange schedules for top candidate interviews with the City Council and will coordinate the process.

During the time candidates are in Gunnison for interviews, it may be effective to schedule a reception for employees and other City leaders to meet the candidates. Such a reception would be arranged informally at a convenient time and place. This often helps the candidates gain their bearings about the community. City Councils and staff often gain valuable feedback from those attending and from observing the interactions with the candidates. Of course, this decision will be yours.

7. Communication

Unless otherwise directed, it is our standard practice to tell all media that we are working on behalf of the City of Gunnison and that any public statement should come directly from the City. We will maintain confidentiality of candidate information, to the extent desired by the City and to the degree possible under Colorado law.

Finally, we will notify all unsuccessful applicants who were not recommended for interview of the final decision reached.

We will keep the Council closely informed and involved in decisions concerning the search process at all times. We will prepare and send weekly reports that describe the progress on the recruitment, specific steps to be taken to meet the City's deadlines.

Support from the City will be needed, as follows:

- Arranging interviews with the City Council and staff members
- Providing budget, organization charts and other documents
- Place of contact for the search
- Processing invoices for payment

EXHIBIT I
THE MERCER GROUP, INC.
SAMPLE CANDIDATE EVALUATION MATRIX

<i>A = Significant Experience</i> <i>B = Some Experience</i> <i>C = Insignificant Experience</i>
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CANDIDATE	Selection Evaluation Criteria					
	Work Ethic, Integrity, Accountability, Leadership Skills	Participative Management	Negotiation Skills	Strategic Thinking	Municipal Management Knowledge	Communication Skills
John Jones	A	A	A	A	A	A
Mary Jackson	C	B	A	A	B	A
Juan Perez	B	A	C	B	C	A
Susan Jones	A	C	B	C	C	C
William Jefferson	C	B	C	C	B	A
Linda Chong	B	C	C	C	B	B

C. Schedule

We have would recommend a timeline of about 4 months for this process. Upon the City’s contract approval, we would expect to begin the search promptly, as follows:

1. Position analysis and profile research – March, 2016
2. Position profile completed and brochure preparation – March, 2016
3. Advertising and recruitment – April, 2016
4. Leading candidates report and naming of finalists – May, 2016
5. Finalist interview process – May, 2016
6. Contract negotiations and approval – June, 2016

This schedule can be altered in order to meet the City's requirements.

IV. COST PROPOSAL

Our professional fees for the services outlined to recruit the new City Manager are **\$17,850** plus not-to-exceed direct expenses of **\$3,800**. Our fees are broken down as follows:

Job Analysis, Position Profile.....	\$ 3,800
Outreach and Recruitment.....	2,650
Resume Review	2,000
Candidate Screening.....	2,950
Background Investigation	3,450
Interview Process	<u>3,000</u>
TOTAL FEE.....	\$17,850
MAXIMUM DIRECT EXPENSES.....	<u>3,800</u>
MAXIMUM FEES AND EXPENSES.....	<u>\$21,650</u>

EXPENSES: Direct expenses are for advertising sources (trade journals, internet ads, etc), consultant travel and airfare, telephone, copying, brochure and report preparation. We charge federal per diem rates for travel and meals. The direct expense proposal does not contemplate the cost of newspaper advertising, nor does it cover required visits to

candidates' cities. Advertising specifically for private sector managers may result in additional expenses of up to \$3,000.

Because of our location in Colorado, expenses will be kept to a minimum. The cost for final candidates to travel to interview with the City Council and staff is not included. The City on a reimbursement basis would pay such costs directly to the candidates.

The City of Gunnison's cost for The Mercer Group, Inc. for services rendered under this agreement will not exceed the agreed upon price unless an increase is authorized by the City in writing. We will submit invoices for fees and expenses. It is our practice to bill one-third at the start of the search, one-third after 30 days, and one-third upon successful negotiation with the Council's selected candidate. Each invoice will be payable upon receipt for professional services. Expenses will be billed in addition and shown as a separate figure.

We will comply with all applicable laws, rules and regulations of federal, state and local government entities. Our ability to carry out the work required will be drawn greatly from our past experience in providing similar services to others, and we expect to continue such work in the future. We will, to the degree possible, preserve the confidential nature of any information received from you or developed during the work in accordance with our professional standards.

We assure you that we will devote our best efforts to carrying out this engagement. The results obtained, our recommendations and any written material provided by us will represent our best judgment based on the information available to us.

This proposal constitutes the agreement between us. It cannot be modified except in writing by both parties. Our agreement will be interpreted according to the laws of the State of Colorado.

REFERENCES
PHILLIP ROBERTSON

Mayor Milt Tokunaga
Town of Milliken, Colorado
970-744-3007
1101 Broad Street
Milliken, CO 80543
Executive Recruitment – Town Administrator

Ms Kate Marshall, Mayor Pro Tem during my search and current council member
City of Petoskey, Michigan
231-347-0587
101 E. Lake Street
Petoskey, Michigan 49770
Executive Recruitment – City Manager

Ms Lori Bluhm, City Attorney
City of Troy, Michigan
248-524-3323
500 West Big Beaver Road
Troy, Michigan 48084
Executive Recruitment – City Manager

Mayor Kurt D. Dykstra
City of Holland, Michigan
616-355-1314
270 S. River Avenue
Holland, Michigan 49423
Executive Recruitment – City Manager

Mr. Ed Duffy, Previous Chair
Lee County, Georgia, County Commission
229-435-4327
110 Starksville Ave.
Leesburg, GA 31763
Executive Recruitment – County Manager