



CITY of NOVI CITY COUNCIL

Agenda Item 1
April 7, 2014

SUBJECT: Approval of contract between the City of Novi and Waters Executive Recruitment to facilitate the City Manager recruitment process and amend the budget to fund the contract.

SUBMITTING DEPARTMENT: Human Resources

CITY MANAGER APPROVAL: 

EXPENDITURE REQUIRED	\$24,500
AMOUNT BUDGETED	N/A
APPROPRIATION REQUIRED	\$24,500
LINE ITEM NUMBER	101-299.00-816.000 / 101-172.00-704.000

BACKGROUND INFORMATION:

The City went out for bids for professional services to conduct the Executive Search for the City of Novi's next City Manager. Seven proposals were received. A committee of four City employees were charged with reviewing the proposals and providing, to City Council, a list of three or four firms to interview. All proposals were forwarded to City Council including the committee's list of four firms to interview.

Interviews were conducted on Saturday, March 22, 2014 of three firms. At the City Council meeting of March 24, 2014, Council unanimously selected the firm of Waters Executive Recruitment to facilitate the City Manager search for the City of Novi.

A budget amendment is recommended to utilize the remaining funds from the vacant City Manager salary account to cover the professional services contract as follows:

101-172.00-704.000 <\$24,500.00>
101-299.00-816.000 \$24,500.00

The City has gotten a verbal confirmation that the accompanying agreement reviewed by the City Attorney has been accepted by Waters Executive Recruitment, and that a signed copy will be available on April 7, 2014 for Mayor Gatt's signature.

RECOMMENDED ACTION: Approval of contract between the City of Novi and Waters Executive Recruitment to facilitate the City Manager recruitment process and amend the budget to fund the contract.

	1	2	Y	N
Mayor Gatt				
Mayor Pro Tem Staudt				
Council Member Casey				
Council Member Fischer				

	1	2	Y	N
Council Member Markham				
Council Member Mutch				
Council Member Wrobel				

AGREEMENT FOR SERVICES

Agreement made this 7th day of April 2014, between the City of Novi, Michigan, hereafter referred to as “the Client”, and Waters & Company Executive Recruiting, a division of The Waters Consulting Group, Inc. , hereafter referred to as “WCG”.

RECITALS

The Client has its principal place of business at 45175 Ten Mile, Novi, Michigan 48375. WCG has its principal place of business at 5050 Quorum Drive, Suite 625, Dallas, Texas 75254. WCG provides services to clients across the nation in the field of wage and salary systems software, executive recruitment and other related human resource services; therefore, the Client engages the executive recruitment services of WCG; and in consideration of the promises herein contained, both parties agree to the following:

TERM

1. This Agreement shall be for the period necessary for successful completion of the project, commencing on April 7, 2014 and may be terminated by the Client if WCG’s services are no longer desired. If the Client terminates, WCG is entitled to any portion of its fee earned to the date of termination, as provided below.
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SCOPE OF PROFESSIONAL SERVICES

2. WCG will provide professional services in the area of an executive recruitment for the position of City Manager in a timely, efficient, good, and workmanlike manner. This Agreement includes WCG’s commitment to provide all elements of the recruitment process, services, and conditions described in our proposal dated February 26, 2014. WCG acknowledges and understands that the recruitment and selection process by the Client for the position of City Manager is subject to certain laws, including the Michigan Open Meetings Act and Freedom of Information Act, and that therefore its activities are at all times subject to the direction and approval of the Client. As to such issues, WCG shall follow the Client's direction.
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ALL-INCLUSIVE PROFESSIONAL PRICE

3. The all-inclusive professional price to conduct the recruitment is \$24,500.00 as a not-to-exceed amount that includes the cost of professional services by the Lead Consultant and the project

support staff, and all project-related expenses such as advertising, printing, candidate background and reference checks, and travel expenses for on-site visits by the Lead Consultant. Travel expenses incurred by candidates for on-site interviews with the client are not the responsibility of WCG and are handled directly by the client organization. The Client will make payments for the project upon receipt of an invoice submitted by WCG. Payment to WCG is due upon receipt. All invoices will be forwarded to the Client for processing unless otherwise directed. For reporting purposes, WCG's tax identification number is 75-2272138.

The all-inclusive professional price will be billed in four installments: 30% of the fee will be billed at the beginning of the recruitment; 30% at the implementation of Phase I; 30% at the implementation of Phase II; and the final 10% upon acceptance of offer by the candidate.

<i>PHASE</i>	<i>DESCRIPTION OF PROFESSIONAL SERVICES</i>
Phase I	Task 1 – Candidate Profile Development/Advertising/Marketing (includes one day on site by Lead Consultant). Task 2 – Identify Quality Candidates.
Phase II	Task 3 – Screening of Applications and Submission of Recommended Semi-Finalists to Client. (includes one day on-site by Lead Consultant) Task 4 – Reference Checks, Background Checks, and Academic Verifications.
Phase III	Task 5 – Final Process/On-Site Interviews with Finalists (includes two days on site by Lead Consultant).
Conclusion	Acceptance of offer by candidate.
TOTAL ALL-INCLUSIVE PROFESSIONAL FEE	
\$24,500.00	

<i>OPTIONAL SERVICES FOR CONSIDERATION</i>	<i>FEES</i>
Additional work related to the recruitment process and as specifically requested by the client which is outside of the scope of this project (i.e. additional onsite visits) is additional. The fixed professional fee for this recruitment anticipates no more than three onsite visits which include four consulting days with one consultant. However, we would be pleased to provide additional onsite consulting visits for our standard daily rate of \$1500 plus expenses.	\$1,500.00 per day plus expenses

ADDITIONAL PLACEMENTS

4. If candidates from this recruitment process are selected for another position by the Client, within one year of the close of the recruitment, a fee of 50% of the above mentioned fee amount will be due to WCG.

TRIPLE GUARANTEE

5. (1) A commitment to remain with the recruitment assignment until you have made an appointment for the fees and tasks quoted in this proposal. If you are unable to make a selection

from the initial group of finalists, WCG will work to identify a supplemental group until you find a candidate to hire. (2) Your executive recruitment is guaranteed for 24 months against termination. Within the first year, the replacement recruitment will be repeated with no additional professional fee, but only for project-related expenses. During the second year, the replacement recruitment is reduced to 50% of the professional fee plus project-related expenses. Candidates appointed from within your organization do not qualify for this guarantee. This guarantee is subject to further limitations and restrictions of your state laws. Additional services include a performance appraisal and review after 12 months of service of the appointed candidate, with no professional fee charged to you. If you elect to use this service, the only cost you would incur would be the reimbursement for any project-related expenses; and (3) WCG will not solicit any candidates selected under this contract for any other position while the candidate is employed with your organization.

DEVOTION OF TIME

6. WCG shall devote such time to the performance of its duties under this Agreement as is necessary for the completion of all project phases.
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ENTIRE AGREEMENT

7. This Agreement supersedes any and all other agreements, either oral or in writing, between the parties hereto with respect to the subject matter hereof, and no other agreement, statement, or promise relating to the subject matter of this Agreement that is not contained herein shall be valid or binding.
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AMENDMENT

8. This Agreement may be amended by the mutual agreement of the parties hereto in writing and such writing must be attached to and incorporated into this Agreement.
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LEGAL CONSTRUCTION

9. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions thereof and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

10. **TERMINATION** This Agreement, including any extension or amendment of this Agreement, may be terminated at any time, with or without cause, by either party upon 30 days' written notice to the other party. In the event this Agreement is terminated prior to completion of the work, the Client shall not be responsible to make any further payments for work performed after the effective date of such termination, and shall pay WCG for such work as has been completed and is eligible for payment under the terms of this Agreement through the date of such termination. In all events, the Client shall only be responsible to make the payments described in the preceding sentence if, at the Client's request, WCG continues to fully perform its duties and obligations in full compliance with the terms of this Agreement through the effective date of the termination. Prior to the effective date of any termination, or prior to the completion of the work (including any extension of the timing for completion), whichever is the first to occur, WCG shall deliver to the Client all reports, opinions, compilations, research work, studies, and other materials in its possession or control that is gathered or generated in the course of performing the work or that relates to the work in any way; provided that WCG may retain a copy of such materials for its files. The Client shall be permitted to withhold any payments and reimbursements otherwise owing to WCG under the terms of this Agreement until all such materials are delivered to the Client in accordance with the terms and conditions of this Agreement.

INDEPENDENT CONTRACTOR

11. In the performance of this Agreement, the relationship of WCG to the Client shall be that of an independent contractor and not that of an employee or agent of Client. WCG is and shall perform under this Agreement as an independent contractor, and no liability or responsibility with respect to benefits of any kind, including without limitation, medical benefits, worker's compensation, pension rights, or other rights or liabilities arising out of or related to a contract for hire or employer/employee relationship shall arise or accrue to either party as a result of the performance of this Agreement. WCG, as an independent contractor, is not authorized to enter into or sign any agreements on behalf of the Client or to make any representations to third parties that are binding upon the Client.

ASSIGNMENT

12. WCG shall perform all of the work under this Agreement and no other person or entity shall be assigned or sub-contracted to perform the work, or any part thereof, unless approved by the Client in advance.

LIABILITY AND INSURANCE

13. WCG agrees to indemnify and hold harmless the Client, its elected and appointed officials and employees, from and against any and all claims, demands, suits, losses and settlements, including actual attorney fees incurred and all costs connected therewith, for any damages which may be asserted, claimed or recovered against the Client by reason of (i) personal injury, death and/or property damages which arises out of or is in any way connected or associated with the actions or inactions of WCG in performing or failing to perform the work, or (ii) civil damages which arise out of any dispute between this Agreement. WCG Agrees to keep appropriate general liability insurance coverages in place during the entire term of this Agreement.

COMPLIANCE WITH LAWS

14. This Agreement and all of WCG's work and practices shall be subject to all applicable state, federal and local laws, ordinances, rules or regulations, including without limitation, those which apply because Client is a public governmental agency or body.

GOVERNING LAW

15. This Agreement shall be governed by the laws of the State of Michigan.

BINDING ON SUCCESSORS

16. WCG shall not assign this Agreement or any part thereof without the written consent of the Client. This Agreement shall be binding on the parties, their successors, assigns and legal representatives.

THIRD PARTIES

17. It is the intention of the parties hereto that this Agreement is not made for the benefit of any private third party. It is understood by WCG that it is hired by Client to work under the exclusive direction of the Client and WCG agrees that no private party or parties will be allowed to hold sway or influence, in any way, over WCG's performance of the work. However, WCG is

permitted to continue work with all other clients in its normal course of business without input from the City.

NOTICES

18. Written notices under this Agreement shall be delivered to the parties at their addresses as noted below by registered mail delivery

Client: Tia Gronlund-Fox
City of Novi
45175 Ten Mile
Novi, Michigan 48375

WCG: Chuck Anderson
Waters & Company Executive Recruiting
5050 Quorum Drive
Suite 625
Dallas, Texas 75254

JURISDICTION AND VENUE OF AGREEMENT

19. This Agreement shall be considered for all purposes, including the establishment of jurisdiction and venue in any court action between the parties, as having been entered into and consummated in the City of Novi, Oakland County, Michigan.

Executed on the day and the year first written in this Agreement.

CITY OF NOVI, MICHIGAN

THE WATERS CONSULTING GROUP, INC.

By: x _____
Name: ROBERT J. GATT
Title: MAYOR

By: x _____
Name: ROLLIE O. WATERS
Title: PRESIDENT