Memorandum

To: COUNCIL APPOINTED OFFICERS COMMITTEE
From: SANDRA BLANCH, INTERIM DIRECTOR OF HUMAN RESOURCES
Date: April 27, 2011

Subject: Review proposals from Executive Search Firms Related to the City Auditor Recruitment

RECOMMENDATION

Staff recommends that the Council Appointed Officers Committee (CAO Committee) review responses to the Request for Proposals (RFP) for professional services and provide direction.

DISCUSSION

On March 28, 2011 the CAO Committee Chair directed staff to conduct an RFP for the City Auditor Recruitment. The deadline for responses to the RFP was April 14, 2011. The list of respondents is attached coupled with copies of their proposals for members to review and a copy of the RFP. Staff will be available to answer questions and receive direction from the committee on how to proceed.

LIST OF RESPONDENTS

Avery Associates
Ralph Andersen & Associates

*The responses to the Request for Proposals are available for review in the Human Resources Department on the 1st floor.*
REQUEST FOR PROPOSAL (RFP) NUMBER 141034
FOR PROFESSIONAL SERVICES
EXECUTIVE RECRUITMENT SERVICES
FOR THE POSITION OF CITY AUDITOR

SUBMITTAL DEADLINE: APRIL 14, 2011
PROJECT MANAGER: SANDRA BLANCH
PURCHASING MANAGER: GREG PUSTELNIK
REQUEST FOR PROPOSAL (RFP) NO. 141034
FOR PROFESSIONAL SERVICES

TITLE: EXECUTIVE RECRUITMENT/SEARCH SERVICES FOR THE POSITION OF CITY AUDITOR

1. INTRODUCTION

The City of Palo Alto (City) is seeking proposals from qualified firms to provide professional services for EXECUTIVE RECRUITMENT SEARCH SERVICES FOR THE POSITION OF CITY AUDITOR. The required services and performance conditions are described in the Scope of Services, attached as Attachment A. The City has budgeted a Not-To-Exceed Amount of $25,000 dollars.

2. ATTACHMENTS

The attachments below are included with this Request for Proposals (RFP) for your review and submittal (see asterisk):

Attachment A – Scope of Work/Services
Attachment B – City Auditor Job Description
Attachment C – Proposer Information Form*
Attachment D – Sample Agreement for Services
Attachment E – Not Included
Attachment F – Cost Proposal Format
Attachment G – Listed as Exhibit D in Attachment D

The items identified with an asterisk (*) shall be completed, signed by the appropriate representative of the company and returned with submittal.

3. INSTRUCTIONS TO PROPOSERS

3.1 Pre-proposal Conference

NO PRE-PROPOSAL CONFERENCE HAS BEEN SCHEDULED.

3.2 Examination of Proposal Documents

The submission of a proposal shall be deemed a representation and certification by the Proposer that they:

3.2.1 Have carefully read and fully understand the information that was provided by the City to serve as the basis for submission of this proposal.
3.2.2 Have the capability to successfully undertake and complete the responsibilities and obligations of the proposal being submitted.
3.2.3 Represent that all information contained in the proposal is true and correct.
3.2.4 Did not, in any way collude, conspire to agree, directly or indirectly, with any person, firm, corporation or other Proposer in regard to the amount, terms or conditions of this proposal.
3.2.5 Acknowledge that the City has the right to make any inquiry it deems appropriate to substantiate or supplement information supplied by Proposer, and Proposer hereby grants the City permission to make these inquiries, and to provide any and all related documentation in a timely manner.

No request for modification of the proposal shall be considered after its submission on grounds that Proposer was not fully informed to any fact or condition.

3.3 Addenda/Clarifications

Should there be a need to clarify this RFP, questions or comments regarding this RFP must be submitted in writing and received by the City no later than April 8, 2008. Correspondence shall be addressed to Greg Pustelnik, Purchasing Manager, City of Palo Alto, 250 Hamilton Avenue, Palo Alto, CA 94301 or e-mailed to greg.pustelnik@cityofpaloalto.org. Responses from the City will be communicated in writing to all recipients of this RFP.

The City shall not be responsible for nor be bound by any oral instructions, interpretations or explanations issued by the City or its representatives.

3.4 Submission of Proposals

The City is requesting that copies of the RFP response be submitted on or before April 14, 2011 in both hardcopy format and via email.

A. Hardcopy Format. 12 Proposal copies are to be submitted to:
   City of Palo Alto
   RFP 141034
   Executive Recruitment Services/City Auditor
   Attention: Greg Pustelnik, Purchasing Manager
   c/o Purchasing and Contracts Administration
   250 Hamilton Avenue, M-Level
   Palo Alto, CA 94301

B. Emailed copy of the RFP response is to be sent to Greg Pustelnik at:
greg.pustelnik@cityofpaloalto.org

All Proposals (Hardcopy and Email) are to be delivered no later than 2:00 PM, April 14, 2011. Early Submittal of Proposals will be accepted and appreciated. All proposals received after the final deadline will be returned to the Proposer.

3.4 Withdrawal of Proposals

A Proposer may withdraw its proposal at any time before the expiration of the time for submission of proposals as provided in the RFP by delivering a written request for withdrawal signed by, or on behalf of, the Proposer.

3.5 Rights of the City of Palo Alto

This RFP does not commit the City to enter into a contract, nor does it obligate the City to pay for any costs incurred in preparation and submission of proposals or in anticipation of a contract. The City reserves the right to:

- Make the selection based on its sole discretion;
- Reject any and all proposals;
- Issue subsequent Requests for Proposals;
- Postpone opening for its own convenience;
- Remedy technical errors in the Request for Proposals process;
- Approve or disapprove the use of particular subconsultants;
- Negotiate with any, all or none of the Proposers;
- Accept other than the lowest offer;
- Waive informalities and irregularities in the Proposals and/or
- Enter into an agreement with another Proposer in the event the originally selected Proposer defaults or fails to execute an agreement with the City.

An agreement shall not be binding or valid with the City unless and until it is executed by authorized representatives of the City and of the Proposer.

4. Proposed RFP Timeline
The RFP Tentative Timeline is as follows:

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>RFP Issued</td>
<td>April 4, 2011</td>
</tr>
<tr>
<td>Pre-Proposal Meeting</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>Deadline for questions, clarifications</td>
<td>April 8, 2011</td>
</tr>
<tr>
<td>Proposals to be Submitted By:</td>
<td>April 14, 2011</td>
</tr>
<tr>
<td>Consultant Interviews (if necessary)</td>
<td>April 25, 2011</td>
</tr>
<tr>
<td>Consultant selection and contract preparation</td>
<td>May 2011</td>
</tr>
<tr>
<td>Contract awarded</td>
<td>May 2011</td>
</tr>
<tr>
<td>Work commences</td>
<td>May 2011</td>
</tr>
</tbody>
</table>

5. **Information to be Submitted** (to be submitted in this order only)

These instructions outline the guidelines governing the format and content of the proposal and the approach to be used in its development and presentation. The intent of the RFP is to encourage responses that clearly communicate the Proposer’s understanding of the City’s requirements and its approach to successfully provide the products and/or services on time and within budget. Only that information which is essential to an understanding and evaluation of the proposal should be submitted. Items not specifically and explicitly related to the RFP and proposal, e.g. brochures, marketing material, etc. will not be considered in the evaluation.

All proposals shall address the following items in the order listed below and shall be numbered 1 through 8 in the proposal document.

5.1 Chapter 1 – Proposal Summary

This Chapter shall discuss the highlights, key features and distinguishing points of the Proposal. A separate sheet shall include a list of individuals and contacts for this Proposal and how to communicate with them. Limit this Chapter to a total of three (3) pages including the separate sheet.

5.2 Chapter 2 – Profile on the Proposing Firm(s)

This Chapter shall include a brief description of the Prime Proposer’s firm size as well as the proposed local organization structure. Include a discussion of the Prime Proposer firm’s financial stability, capacity and resources. Include all other firms participating in the Proposal, including similar information about the firms.

Additionally, this section shall include any applicable litigation history.

5.3 Chapter 3 – Qualifications of the Firm
This Chapter shall include a brief description of the Proposer's and sub-Proposer's qualifications and previous experience on similar or related projects (especially previous City Auditor Recruitments). Provide in a table format (see Sample Table, Attachment E) descriptions of pertinent project experience with other public municipalities and private sector that includes a summary of the work performed, the total project cost, the percentage of work the firm was responsible for, the period over which the work was completed, and the name, title, and phone number of client's to be contacted for references. Give a brief statement of the firm’s adherence to the schedule and budget for the project.

This chapter shall include information regarding any relationships with firms and/or individuals who may submit proposals in response to the RFPs being developed.

5.4 Chapter 4 – Work Plan or Proposal

This Chapter shall present a well-conceived service plan. Present an outline of proposed process and timeline. Include in this section:

a) Specific options for when/how you would gather input on the key attributes desirable for Palo Alto’s new City Auditor from the City Council, the executive staff and the public.

b) Summary of your Firm’s understanding of the City Auditor hiring market and your Firm’s approach and strengths in identifying candidates.

Include a full description of major tasks and subtasks (Timelines). This section of the proposal shall establish that the Proposer understands the City’s objectives and work requirements and Proposer’s ability to satisfy those objectives and requirements.

5.5 Chapter 5 – Proposed Innovations

The Proposer may also suggest technical or procedural innovations that have been used successfully on other engagements and which may provide the City with better service delivery. In this Chapter discuss any ideas, innovative approaches, or specific new concepts included in the Proposal that would provide benefit to the City. Include anything you feel would be relevant for us to consider for this Project.

5.6 Chapter 6 – Project Staffing

This Chapter shall discuss how the Proposer would propose to staff this project. Specify the name and qualifications (resume) of the Lead Recruiter who will be working on the Palo Alto recruitment. Key project team members (resumes) shall be identified by name, title and specific responsibilities on the project. An organizational chart for the project team and resumes for key
Proposer personnel shall be included. Key personnel will be an important factor considered by the review committee. Changes in key personnel may be cause for rejection of the proposal.

5.7 Chapter 7 – Proposal Exceptions

This Chapter shall discuss any exceptions or requested changes that Proposer has to the City's RFP conditions, requirements and sample contract. If there are no exceptions noted, it is assumed the Proposer will accept all conditions and requirements identified in the Attachment D – “Sample Agreement for Services.” Items not excepted will not be open to later negotiation.

5.8 Chapter 8 – Proposal Costs Sheet and Rates

This Chapter shall include the proposed costs per task to provide the services desired. Include any other cost (e.g., reimbursables) and price information, such as a Schedule of Rates, and a not-to-exceed amount, that would be contained in a potential agreement with the City. The hourly rates may be used for pricing the cost of additional services outlined in the Scope of Work.

PLEASE NOTE: The City of Palo Alto does not pay for services before it receives them. Therefore, do not propose contract terms that call for upfront payments or deposits.

6. Contract Type and Method of Payment

It is anticipated that the agreement resulting from this solicitation, if awarded, will be a Not to Exceed Form of contract. A Sample Agreement of Services is provided as Attachment D. The method of payment to the successful Proposer shall be on a per task basis with a maximum "not to exceed" fee as set by the Proposer in the proposal or as negotiated between the Proposer and the City as being the maximum cost to perform all work. This figure shall include direct costs and overhead, such as, but limited to, transportation, communications, subsistence and materials and any subcontracted items of work.

Proposers shall be prepared to accept the terms and conditions of the Agreement, including Insurance Requirements in Attachment G. If a Proposer desires to take exception to the Agreement, Proposer shall provide the following information in Chapter 7 of their submittal package. Please include the following:

- Proposer shall clearly identify each proposed change to the Agreement, including all relevant Attachments.
- Proposer shall furnish the reasons for, as well as specific recommendations, for alternative language.
The above factors will be taken into account in evaluating proposals. Proposals that take substantial exceptions to the proposed Agreement may be determined by the City, at its sole discretion, to be unacceptable and no longer considered for award.

Insurance Requirements

The selected Proposer(s), at Proposer's sole cost and expense and for the full term of the Agreement or any extension thereof, shall obtain and maintain, at a minimum, all of the insurance requirements outlined in Attachment G.

All policies, endorsements, certificates and/or binders shall be subject to the approval of the Risk Manager of the City of Palo Alto as to form and content. These requirements are subject to amendment or waiver if so approved in writing by the Risk Manager. The selected Proposer agrees to provide the City with a copy of said policies, certificates and/or endorsement upon award of contract.

7. Review and Selection Process

City staff will evaluate the proposals provided in response to this RFP based on the following criteria:

7.1 Quality and completeness of proposal;
7.2 Effectiveness of the solution, goods and/or services to be provided by the Proposer;
7.3 Proposers experience, including the experience of key staff to be assigned to the project, the engagements of similar scope and complexity;
7.4 Cost to the city;
7.5 Proposer's ability to perform the work within the time specified;

The CAO Committee will make a recommendation to the City Council. The acceptance of the proposal will be evidenced by written Notice of Award from the City's Purchasing/Contract Administration Division to the successful Proposer.

8. Oral Interviews

Proposers may be required to participate in an oral interview.

Each Proposer's time slot for oral interviews will be determined randomly. Proposers who are selected shall make every effort to attend. If representatives of the City experience difficulty on the part of any Proposer in scheduling a time for the oral interview, it may result in disqualification from further consideration.

Responses to this RFP become the exclusive property of the City of Palo Alto. At such time as the Administrative Services Department recommends to firm to the City Manager or to the City Council, as applicable, all proposals received in response to this RFP becomes a matter of public record and shall be regarded as public records, with the exception of those elements in each proposal which are defined by the Proposer as business or trade secrets and plainly marked as “Confidential,” “Trade Secret,” or “Proprietary”. The City shall not in any way be liable or responsible for the disclosure of any such proposal or portions thereof, if they are not plainly marked as “Confidential,” “Trade Secret,” or “Proprietary” or if disclosure is required under the Public Records Act. Any proposal which contains language purporting to render all or significant portions of the proposal “Confidential,” “Trade Secret,” or “Proprietary” shall be regarded as non-responsive.

Although the California Public Records Act recognizes that certain confidential trade secret information may be protected from disclosure, the City of Palo Alto may not accept or approve that the information that a Proposer submits is a trade secret. If a request is made for information marked “Confidential,” “Trade Secret,” or “Proprietary,” the City shall provide the Proposer who submitted the information with reasonable notice to allow the Proposer to seek protection from disclosure by a court of competent jurisdiction.

10. Collusion

By submitting a proposal, each Proposer represents and warrants that its proposal is genuine and not a sham or collusive or made in the interest of or on behalf of any person not named therein; that the Proposer has not directly induced or solicited any other person to submit a sham proposal or any other person to refrain from submitting a proposal; and that the Proposer has not in any manner sought collusion to secure any improper advantage over any other person submitting a proposal.

11. Disqualification

Factors such as, but not limited to, any of the following may be considered just cause to disqualify a proposal without further consideration:

12.1 Evidence of collusion, directly or indirectly, among Proposers in regard to the amount, terms or conditions of this proposal;
12.2 Any attempt to improperly influence any member of the evaluation team;
12.3 Existence of any lawsuit, unresolved contractual claim or dispute between Proposer and the City;
12.4 Evidence of incorrect information submitted as part of the proposal;
12.5 Evidence of Proposer’s inability to successfully complete the responsibilities and obligation of the proposal; and
12.6 Proposer’s default under any previous agreement with the City, which results in termination of the Agreement.
12. Non-Conforming Proposal

A proposal shall be prepared and submitted in accordance with the provisions of these RFP instructions and specifications. Any alteration, omission, addition, variance, or limitation of, from or to a proposal may be sufficient grounds for non-acceptance of the proposal, at the sole discretion of the City.

13. Gratuities

No person shall offer, give or agree to give any City employee any gratuity, discount or offer of employment in connection with the award of contract by the city. No city employee shall solicit, demand, accept or agree to accept from any other person a gratuity, discount or offer of employment in connection with a city contract.

14. Firms or persons not eligible to submit a proposal

In order to avoid any conflict of interest or perception of a conflict or interest, Proposer(s) selected to provide professional services under this RFP will be subject to the following requirements:

14.1 The Proposer(s) who works on the procurement will be precluded from submitting proposals or bids as a prime contractor or subcontractor the ultimate procurement.
14.2 The Proposer(s) may not have interest in any potential Proposer for the ultimate procurement.
ATTACHMENT A

SCOPE OF SERVICES

Executive Recruitment Services for the Position of City Auditor

The following lists the functions to be performed by the consultant. Please include in you proposal how you would handle these responsibilities.

1. Recruit qualified candidates, based on candidate profile developed with Council.
2. Prepare the brochure and assist in developing a mailing list.
3. Prepare and place advertisements in pertinent publications (list publications you would use).
4. In concert with the City Council Subcommittee and the Director of Human Resources, screen applications and resumes that are submitted. As appropriate, interview candidates as a screening tool.
5. Create and assemble an innovative way to assess the candidates.
6. Oversee and coordinate the interview and/or assessment process.
7. Meet with the Council Subcommittee, the Director of Human Resources, City Manager and appropriate City staff to select the 6-8 top candidates to participate in the interview and/or assessment process.
8. Conduct background and reference checks on final candidates and prepare a confidential reference report on each. Firm shall assist City with identifying former co-workers, supervisors, Council members and community members of top two (2) or three (3) candidates as part of completing the reference checks.

~ End of Section ~
City of Palo Alto Website - Classification Specification

ATTACHMENT B

City of Palo Alto
Classification Specification

Title: CITY AUDITOR
FLSA: EXEMPT
Revision Date: 11/3/1992
Reports To: City Council
Supervises: Professional and clerical staff

Purpose of Classification
The City Auditor is responsible for auditing internal accounting and financial management activities to assure compliance with statutory requirements and accounting standards. The position oversees and analyzes fiscal procedures, verifies accounts and expenditures and provides other analyses of financial and operating data as directed by the City Council.

Distinguishing Characteristics

Essential Duties and Responsibilities
- Essential and other important responsibilities and duties may include, but are not limited to, the following:

Prepare annually for approval by the City Council a schedule of internal audits to be performed.

Directs, plans, conducts and prepares written reports of audit findings to the City Council which include departmental responses to the audit findings.

Determines compliance with City financial policies for preparation of legally mandated financial statements.

Reviews computer based information systems for appropriate levels of control, documentation, audit trails and security.

Coordinates annual external financial audit for the City with independent certified public accounting firm selected by the City Council.

Works with auditors or consultants to conduct independent reviews of City department operations.

Advises the City Council, as requested, on the financial impact or policy significance of its actions.

Directs and participates in special investigations; projects and programs as requested by the City Council.

Acts as an advisor upon request to other City operating departments in their efforts towards identifying and improving controls, procedures and system efficiencies.

Essential Functions:
- Performs related duties and responsibilities as required.

Minimum Qualifications
Sufficient education, training and/or work experience to demonstrate possession of the following knowledge, skills and abilities, which would typically be acquired through:

- Possession of Bachelor's degree in accounting or a related field; Master's of Business Administration preferred.
- Certification as a public accountant or internal auditor preferred;
and
- Five years experience in internal audit in a lead or assistant capacity.

Experience in a public sector organization preferred.

Knowledge, Skills and Abilities
- Knowledge of and ability to work with computer systems.
- Knowledge of and experience in management/operational auditing, financial planning and analysis and long-term financing mechanisms.
- Ability to provide the City Council with sound financial information that is straightforward, conclusive and easily understandable.
- Ability to anticipate future financial situations or problems and provide input to the City Council in its decision-making process.
- Ability to maintain a professional and independent role with the City Manager and Department Heads yet participate cooperatively in the City’s management team.
- Ability to maintain effective audio-visual discrimination and perception needed for making observations, communicating with others, reading and writing, and operating assigned equipment.
- Ability to maintain mental capacity which allows the capability of making sound decisions and demonstrating intellectual capabilities.

The City of Palo Alto is an Equal Opportunity Employer. In compliance with the Americans with Disabilities Act, the City will provide reasonable accommodation to qualified individuals with disabilities and encourages both prospective and current employees to discuss potential accommodations with the employer.

Select Language | Powered by Translate

Attachment C
Proposer's Information Form

PROPOSER (please print):

Name: ________________________________

Address: ________________________________


Telephone: __________________ Fax: __________________

Contact person, title, telephone and fax number: ________________________________

Taxpayer Identification No. ________________________________
(or Social Security Number if Sole Proprietorship)

Proposer, if selected, intends to carry on the business as (check one):

☐ Individual ☐ Joint Venture

☐ Partnership

☐ Corporation

When incorporated? __________

In what state? __________

When authorized to do business in California? __________

☐ Other (explain): ________________________________

ADDENDA

To assure that all Proposers have received each addendum, check the appropriate box(es) below. Failure to acknowledge receipt of an addendum/addenda may be considered an irregularity in the Proposal:

Addendum number(s) received: ☐ 1; ☐ 2; ☐ 3; ☐ 4; ☐ 5; ☐ 6;

Or, ☐ _______ No Addendum/Addenda Were Received (check and initial).

PROPOSER'S SIGNATURE

No proposal shall be accepted which has not been signed in ink in the appropriate space below:

City of Palo Alto – RFP
By signing below, the submission of a proposal shall be deemed a representation and certification by the Proposer that they have investigated all aspects of the RFP, that they are aware of the applicable facts pertaining to the RFP process, its procedures and requirements, and they have read and understand the RFP. No request for modification of the proposal shall be considered after its submission on the grounds that the Proposer was not fully informed as to any fact or condition.

1. If Proposer is **INDIVIDUAL**, sign here

   Date: ___________________________  
   Proposer’s Signature  
   Proposer’s typed name and title

2. If Proposer is **PARTNERSHIP** or **JOINT VENTURE**; at least two (2) Partners shall sign here:

   **Partnership or Joint Venture Name (type or print)**  
   Date: ___________________________  
   Member of the Partnership or Joint Venture signature  
   Date: ___________________________  
   Member of the Partnership or Joint Venture signature

3. If Proposer is a **CORPORATION**, the duly authorized officer shall sign as follows:

   The undersigned certify that he/she is respectively:

   _______________ and _______________  
   Signature Title

   Of the corporation named below; that they are designated to sign the Proposal Cost Form by resolution (attach a certified copy, with corporate seal, if applicable, notarized as to its authenticity or Secretary’s certificate of authorization) for and on behalf of the below named CORPORATION, and that they are authorized to execute same for and on behalf of said CORPORATION.

   **Corporation Name (type or print)**  
   By: ___________________________  
   Date: ___________________________  
   Title: ___________________________

City of Palo Alto – RFP
ATTACHMENT D

CITY OF PALO ALTO CONTRACT NO.

AGREEMENT BETWEEN THE CITY OF PALO ALTO AND

FOR PROFESSIONAL SERVICES

This Agreement is entered into on this day of , ("Agreement") by and between the CITY OF PALO ALTO, a California chartered municipal corporation ("CITY"), and , a located at ("CONSULTANT").

REQUITALS

The following recitals are a substantive portion of this Agreement.

A. CITY intends to engage an Executive Recruitment Firm for the recruitment and assistance in the selection of a new City Auditor for the City of Palo Alto.

B. CONSULTANT has represented that it has the necessary professional expertise, qualifications, and capability, and all required licenses and/or certifications to provide the Services.

C. CITY in reliance on these representations desires to engage CONSULTANT to provide the Services as more fully described in Exhibit "A", attached to and made a part of this Agreement.

NOW, THEREFORE, in consideration of the recitals, covenants, terms, and conditions, this Agreement, the parties agree:

AGREEMENT

SECTION 1. SCOPE OF SERVICES. CONSULTANT shall perform the Services described in Exhibit "A" in accordance with the terms and conditions contained in this Agreement. The performance of all Services shall be to the reasonable satisfaction of CITY.

SECTION 2. TERM.

The term of this Agreement shall be from the date of its full execution through completion of the services in accordance with the Schedule of Performance attached as Exhibit "B" unless terminated earlier pursuant to Section 19 of this Agreement.

SECTION 3. SCHEDULE OF PERFORMANCE. Time is of the essence in the performance of Services under this Agreement. CONSULTANT shall complete the Services within the term of this Agreement and in accordance with the schedule set forth in Exhibit "B", attached to and made a part of this Agreement. Any Services for which times for performance are not specified in this Agreement shall be commenced and completed by CONSULTANT in a reasonably prompt and timely manner based upon the circumstances and direction communicated to the CONSULTANT. CITY's agreement to extend the term or the schedule for performance shall not preclude recovery of damages.
for delay if the extension is required due to the fault of CONSULTANT.

SECTION 4. NOT TO EXCEED COMPENSATION. The compensation to be paid to CONSULTANT for performance of the Services described in Exhibit “A”, including both payment for professional services and reimbursable expenses, shall not exceed Dollars ($ ). In the event Additional Services are authorized, the total compensation for services and reimbursable expenses shall not exceed Dollars ($ ). The applicable rates and schedule of payment are set out in Exhibit “C-I”, entitled “HOURLY RATE SCHEDULE,” which is attached to and made a part of this Agreement.

Additional Services, if any, shall be authorized in accordance with and subject to the provisions of Exhibit “C”. CONSULTANT shall not receive any compensation for Additional Services performed without the prior written authorization of CITY. Additional Services shall mean any work that is determined by CITY to be necessary for the proper completion of the Project, but which is not included within the Scope of Services described in Exhibit “A”.

SECTION 5. INVOICES. In order to request payment, CONSULTANT shall submit monthly invoices to the CITY describing the services performed and the applicable charges (including an identification of personnel who performed the services, hours worked, hourly rates, and reimbursable expenses), based upon the CONSULTANT’s billing rates (set forth in Exhibit “C-I”). If applicable, the invoice shall also describe the percentage of completion of each task. The information in CONSULTANT’s payment requests shall be subject to verification by CITY. CONSULTANT shall send all invoices to the City’s project manager at the address specified in Section 13 below. The City will generally process and pay invoices within thirty (30) days of receipt.

SECTION 6. QUALIFICATIONS/STANDARD OF CARE. All of the Services shall be performed by CONSULTANT or under CONSULTANT’s supervision. CONSULTANT represents that it possesses the professional and technical personnel necessary to perform the Services required by this Agreement and that the personnel have sufficient skill and experience to perform the Services assigned to them. CONSULTANT represents that it, its employees and subconsultants, if permitted, have and shall maintain during the term of this Agreement all licenses, permits, qualifications, insurance and approvals of whatever nature that are legally required to perform the Services.

All of the services to be furnished by CONSULTANT under this agreement shall meet the professional standard and quality that prevail among professionals in the same discipline and of similar knowledge and skill engaged in related work throughout California under the same or similar circumstances.

SECTION 7. COMPLIANCE WITH LAWS. CONSULTANT shall keep itself informed of and in compliance with all federal, state and local laws, ordinances, regulations, and orders that may affect in any manner the Project or the performance of the Services or those engaged to perform Services under this Agreement. CONSULTANT shall procure all permits and licenses, pay all charges and fees, and give all notices required by law in the performance of the Services.

SECTION 8. ERRORS/OMISSIONS. CONSULTANT shall correct, at no cost to CITY, any and all errors, omissions, or ambiguities in the work product submitted to CITY, provided CITY gives
notice to CONSULTANT. If CONSULTANT has prepared plans and specifications or other design documents to construct the Project, CONSULTANT shall be obligated to correct any and all errors, omissions or ambiguities discovered prior to and during the course of construction of the Project. This obligation shall survive termination of the Agreement.

SECTION 9. COST ESTIMATES. If this Agreement pertains to the design of a public works project, CONSULTANT shall submit estimates of probable construction costs at each phase of design submittal. If the total estimated construction cost at any submittal exceeds ten percent (10%) of the CITY’s stated construction budget, CONSULTANT shall make recommendations to the CITY for aligning the PROJECT design with the budget, incorporate CITY approved recommendations, and revise the design to meet the Project budget, at no additional cost to CITY.

SECTION 10. INDEPENDENT CONTRACTOR. It is understood and agreed that in performing the Services under this Agreement CONSULTANT, and any person employed by or contracted with CONSULTANT to furnish labor and/or materials under this Agreement, shall act as and be an independent contractor and not an agent or employee of the CITY.

SECTION 11. ASSIGNMENT. The parties agree that the expertise and experience of CONSULTANT are material considerations for this Agreement. CONSULTANT shall not assign or transfer any interest in this Agreement nor the performance of any of CONSULTANT’s obligations hereunder without the prior written consent of the city manager. Consent to one assignment will not be deemed to be consent to any subsequent assignment. Any assignment made without the approval of the city manager will be void.

SECTION 12. SUBCONTRACTING.

CONSULTANT shall not subcontract any portion of the work to be performed under this Agreement without the prior written authorization of the city manager or designee.

SECTION 13. PROJECT MANAGEMENT. CONSULTANT will assign as the project to have supervisory responsibility for the performance, progress, and execution of the Services and as the project to represent CONSULTANT during the day-to-day work on the Project. If circumstances cause the substitution of the project director, project coordinator, or any other key personnel for any reason, the appointment of a substitute project director and the assignment of any key new or replacement personnel will be subject to the prior written approval of the CITY’s project manager. CONSULTANT, at CITY’s request, shall promptly remove personnel who CITY finds do not perform the Services in an acceptable manner, are uncooperative, or present a threat to the adequate or timely completion of the Project or a threat to the safety of persons or property.

The City’s project manager is , Department, Division, Palo Alto, CA 94303, Telephone:. The project manager will be CONSULTANT’s point of contact with respect to performance, progress and execution of the Services. The CITY may designate an alternate project manager from time to time.

SECTION 14. OWNERSHIP OF MATERIALS. Upon delivery, all work product, including without limitation, all writings, drawings, plans, reports, specifications, calculations, documents,
other materials and copyright interests developed under this Agreement shall be and remain the exclusive property of CITY without restriction or limitation upon their use. CONSULTANT agrees that all copyrights which arise from creation of the work pursuant to this Agreement shall be vested in CITY, and CONSULTANT waives and relinquishes all claims to copyright or other intellectual property rights in favor of the CITY. Neither CONSULTANT nor its contractors, if any, shall make any of such materials available to any individual or organization without the prior written approval of the City Manager or designee. CONSULTANT makes no representation of the suitability of the work product for use in or application to circumstances not contemplated by the scope of work.

SECTION 15. AUDITS. CONSULTANT will permit CITY to audit, at any reasonable time during the term of this Agreement and for three (3) years thereafter, CONSULTANT’s records pertaining to matters covered by this Agreement. CONSULTANT further agrees to maintain and retain such records for at least three (3) years after the expiration or earlier termination of this Agreement.

SECTION 16. INDEMNITY.

16.1. To the fullest extent permitted by law, CONSULTANT shall protect, indemnify, defend and hold harmless CITY, its Council members, officers, employees and agents (each an “Indemnified Party”) from and against any and all demands, claims, or liability of any nature, including death or injury to any person, property damage or any other loss, including all costs and expenses of whatever nature including attorneys fees, experts fees, court costs and disbursements (“Claims”) resulting from, arising out of or in any manner related to performance or nonperformance by CONSULTANT, its officers, employees, agents or contractors under this Agreement, regardless of whether or not it is caused in part by an Indemnified Party.

16.2. Notwithstanding the above, nothing in this Section 16 shall be construed to require CONSULTANT to indemnify an Indemnified Party from Claims arising from the active negligence, sole negligence or willful misconduct of an Indemnified Party.

16.3. The acceptance of CONSULTANT’s services and duties by CITY shall not operate as a waiver of the right of indemnification. The provisions of this Section 16 shall survive the expiration or early termination of this Agreement.

SECTION 17. WAIVERS. The waiver by either party of any breach or violation of any covenant, term, condition or provision of this Agreement, or of the provisions of any ordinance or law, will not be deemed to be a waiver of any other term, covenant, condition, provisions, ordinance or law, or of any subsequent breach or violation of the same or of any other term, covenant, condition, provision, ordinance or law.

SECTION 18. INSURANCE.

18.1. CONSULTANT, at its sole cost and expense, shall obtain and maintain, in full force and effect during the term of this Agreement, the insurance coverage described in Exhibit "D". CONSULTANT and its contractors, if any, shall obtain a policy endorsement naming CITY as an additional insured under any general liability or automobile policy or policies.
18.2. All insurance coverage required hereunder shall be provided through carriers with AM Best’s Key Rating Guide ratings of A-:VII or higher which are licensed or authorized to transact insurance business in the State of California. Any and all contractors of CONSULTANT retained to perform Services under this Agreement will obtain and maintain, in full force and effect during the term of this Agreement, identical insurance coverage, naming CITY as an additional insured under such policies as required above.

18.3. Certificates evidencing such insurance shall be filed with CITY concurrently with the execution of this Agreement. The certificates will be subject to the approval of CITY’s Risk Manager and will contain an endorsement stating that the insurance is primary coverage and will not be canceled, or materially reduced in coverage or limits, by the insurer except after filing with the Purchasing Manager thirty (30) days’ prior written notice of the cancellation or modification, CONSULTANT shall be responsible for ensuring that current certificates evidencing the insurance are provided to CITY’s Purchasing Manager during the entire term of this Agreement.

18.4. The procuring of such required policy or policies of insurance will not be construed to limit CONSULTANT’s liability hereunder nor to fulfill the indemnification provisions of this Agreement. Notwithstanding the policy or policies of insurance, CONSULTANT will be obligated for the full and total amount of any damage, injury, or loss caused by or directly arising as a result of the Services performed under this Agreement, including such damage, injury, or loss arising after the Agreement is terminated or the term has expired.

SECTION 19. TERMINATION OR SUSPENSION OF AGREEMENT OR SERVICES.

19.1. The City Manager may suspend the performance of the Services, in whole or in part, or terminate this Agreement, with or without cause, by giving ten (10) days prior written notice thereof to CONSULTANT. Upon receipt of such notice, CONSULTANT will immediately discontinue its performance of the Services.

19.2. CONSULTANT may terminate this Agreement or suspend its performance of the Services by giving thirty (30) days prior written notice thereof to CITY, but only in the event of a substantial failure of performance by CITY.

19.3. Upon such suspension or termination, CONSULTANT shall deliver to the City Manager immediately any and all copies of studies, sketches, drawings, computations, and other data, whether or not completed, prepared by CONSULTANT or its contractors, if any, or given to CONSULTANT or its contractors, if any, in connection with this Agreement. Such materials will become the property of CITY.

19.4. Upon such suspension or termination by CITY, CONSULTANT will be paid for the Services rendered or materials delivered to CITY in accordance with the scope of services on or before the effective date (i.e., 10 days after giving notice) of suspension or termination; provided, however, if this Agreement is suspended or terminated on account of a default by CONSULTANT, CITY will be obligated to compensate CONSULTANT only for that portion of CONSULTANT’s services which are of direct and immediate benefit to CITY as such determination may be made by the City Manager acting in the reasonable exercise of his/her discretion. The following Sections...
survive any expiration or termination of this Agreement: 14, 15, 16, 19.4, 20, and 25.

19.5. No payment, partial payment, acceptance, or partial acceptance by CITY will operate as a waiver on the part of CITY of any of its rights under this Agreement.

SECTION 20. NOTICES.

All notices hereunder will be given in writing and mailed, postage prepaid, by certified mail, addressed as follows:

To CITY: Office of the City Clerk
City of Palo Alto
Post Office Box 10250
Palo Alto, CA 94303

With a copy to the Purchasing Manager

To CONSULTANT: Attention of the project director
at the address of CONSULTANT recited above

SECTION 21. CONFLICT OF INTEREST.

21.1. In accepting this Agreement, CONSULTANT covenants that it presently has no interest, and will not acquire any interest, direct or indirect, financial or otherwise, which would conflict in any manner or degree with the performance of the Services.

21.2. CONSULTANT further covenants that, in the performance of this Agreement, it will not employ subconsultants, contractors or persons having such an interest. CONSULTANT certifies that no person who has or will have any financial interest under this Agreement is an officer or employee of CITY; this provision will be interpreted in accordance with the applicable provisions of the Palo Alto Municipal Code and the Government Code of the State of California.

21.3. If the Project Manager determines that CONSULTANT is a “Consultant” as that term is defined by the Regulations of the Fair Political Practices Commission, CONSULTANT shall be required and agrees to file the appropriate financial disclosure documents required by the Palo Alto Municipal Code and the Political Reform Act.

SECTION 22. NONDISCRIMINATION. As set forth in Palo Alto Municipal Code section 2.30.510, CONSULTANT certifies that in the performance of this Agreement, it shall not discriminate in the employment of any person because of the race, skin color, gender, age, religion, disability, national origin, ancestry, sexual orientation, housing status, marital status, familial status, weight or height of such person. CONSULTANT acknowledges that it has read and understands the provisions of Section 2.30.510 of the Palo Alto Municipal Code relating to Nondiscrimination Requirements and the penalties for violation thereof, and agrees to meet all requirements of Section 2.30.510 pertaining to nondiscrimination in employment.
SECTION 23. ENVIRONMENTALLY PREFERRED PURCHASING AND ZERO WASTE REQUIREMENTS. CONSULTANT shall comply with the City’s Environmentally Preferred Purchasing policies which are available at the City’s Purchasing Department, incorporated by reference and may be amended from time to time. CONSULTANT shall comply with waste reduction, reuse, recycling and disposal requirements of the City’s Zero Waste Program. Zero Waste best practices include first minimizing and reducing waste; second, reusing waste and third, recycling or composting waste. In particular, Consultant shall comply with the following zero waste requirements:

- All printed materials provided by Consultant to City generated from a personal computer and printer including but not limited to, proposals, quotes, invoices, reports, and public education materials, shall be double-sided and printed on a minimum of 30% or greater post-consumer content paper, unless otherwise approved by the City’s Project Manager. Any submitted materials printed by a professional printing company shall be a minimum of 30% or greater post-consumer material and printed with vegetable based inks.
- Goods purchased by Consultant on behalf of the City shall be purchased in accordance with the City’s Environmental Purchasing Policy including but not limited to Extended Producer Responsibility requirements for products and packaging. A copy of this policy is on file at the Purchasing Office.
- Reusable/returnable pallets shall be taken back by the Consultant, at no additional cost to the City, for reuse or recycling. Consultant shall provide documentation from the facility accepting the pallets to verify that pallets are not being disposed.

SECTION 24. NON-APPROPRIATION

24.1. This Agreement is subject to the fiscal provisions of the Charter of the City of Palo Alto and the Palo Alto Municipal Code. This Agreement will terminate without any penalty (a) at the end of any fiscal year in the event that funds are not appropriated for the following fiscal year, or (b) at any time within a fiscal year in the event that funds are only appropriated for a portion of the fiscal year and funds for this Agreement are no longer available. This section shall take precedence in the event of a conflict with any other covenant, term, condition, or provision of this Agreement.

SECTION 25. MISCELLANEOUS PROVISIONS.

25.1. This Agreement will be governed by the laws of the State of California.

25.2. In the event that an action is brought, the parties agree that trial of such action will be vested exclusively in the state courts of California in the County of Santa Clara, State of California.

25.3. The prevailing party in any action brought to enforce the provisions of this Agreement may recover its reasonable costs and attorneys' fees expended in connection with that action. The prevailing party shall be entitled to recover an amount equal to the fair market value of legal services provided by attorneys employed by it as well as any attorneys' fees paid to third parties.
25.4. This document represents the entire and integrated agreement between the parties and supersedes all prior negotiations, representations, and contracts, either written or oral. This document may be amended only by a written instrument, which is signed by the parties.

25.5. The covenants, terms, conditions and provisions of this Agreement will apply to, and will bind, the heirs, successors, executors, administrators, assignees, and consultants of the parties.

25.6. If a court of competent jurisdiction finds or rules that any provision of this Agreement or any amendment thereto is void or unenforceable, the unaffected provisions of this Agreement and any amendments thereto will remain in full force and effect.

25.7. All exhibits referred to in this Agreement and any addenda, appendices, attachments, and schedules to this Agreement which, from time to time, may be referred to in any duly executed amendment hereto are by such reference incorporated in this Agreement and will be deemed to be a part of this Agreement.

25.8 If, pursuant to this contract with CONSULTANT, City shares with CONSULTANT personal information as defined in California Civil Code section 1798.81.5(d) about a California resident ("Personal Information"), CONSULTANT shall maintain reasonable and appropriate security procedures to protect that Personal Information, and shall inform City immediately upon learning that there has been a breach in the security of the system or in the security of the Personal Information. CONSULTANT shall not use Personal Information for direct marketing purposes without City's express written consent.

25.9 All unchecked boxes do not apply to this agreement.

25.10 The individuals executing this Agreement represent and warrant that they have the legal capacity and authority to do so on behalf of their respective legal entities.

IN WITNESS WHEREOF, the parties hereto have by their duly authorized representatives executed this Agreement on the date first above written.
CITY OF PALO ALTO

CONSULTANT

City Manager (Required on contracts over $85,000)
Purchasing Manager (Required on contracts over $25,000)
Contracts Administrator (Required on contracts under $25,000)

APPROVED AS TO FORM:

Senior Asst. City Attorney
(Required on Contracts over $25,000)

By: __________________________
Name: _________________________
Title: __________________________

Attachments:

EXHIBIT “A”: SCOPE OF WORK
EXHIBIT “B”: SCHEDULE OF PERFORMANCE
EXHIBIT “C”: COMPENSATION
EXHIBIT “C-1”: SCHEDULE OF RATES
EXHIBIT “D”: INSURANCE REQUIREMENTS
EXHIBIT “A”
SCOPE OF SERVICES
EXHIBIT “B”
SCHEDULE OF PERFORMANCE

CONSULTANT shall perform the Services so as to complete each milestone within the number of days/weeks specified below. The time to complete each milestone may be increased or decreased by mutual written agreement of the project managers for CONSULTANT and CITY so long as all work is completed within the term of the Agreement. CONSULTANT shall provide a detailed schedule of work consistent with the schedule below within 2 weeks of receipt of the notice to proceed.

Milestones

<table>
<thead>
<tr>
<th>Completion No. of Days/Weeks From NTP</th>
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</thead>
<tbody>
<tr>
<td>1.</td>
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<tr>
<td>2.</td>
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<tr>
<td>3.</td>
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<td>4.</td>
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<td>5.</td>
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<td>7.</td>
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<td>8.</td>
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<tr>
<td>9.</td>
</tr>
<tr>
<td>10.</td>
</tr>
</tbody>
</table>
EXHIBIT “C”
COMPENSATION

The CITY agrees to compensate the CONSULTANT for professional services performed in accordance with the terms and conditions of this Agreement based on the hourly rate schedule attached as Exhibit C-1.

The compensation to be paid to CONSULTANT under this Agreement for all services described in Exhibit “A” ("Services") and reimbursable expenses shall not exceed $. CONSULTANT agrees to complete all Services, including reimbursable expenses, within this amount. In the event CITY authorizes any Additional Services, the maximum compensation shall not exceed $. Any work performed or expenses incurred for which payment would result in a total exceeding the maximum amount of compensation set forth herein shall be at no cost to the CITY.

REIMBURSABLE EXPENSES

The administrative, overhead, secretarial time or secretarial overtime, word processing, photocopying, in-house printing, insurance and other ordinary business expenses are included within the scope of payment for services and are not reimbursable expenses. CITY shall reimburse CONSULTANT for the following reimbursable expenses at cost. Expenses for which CONSULTANT shall be reimbursed are:

A. Travel outside the San Francisco Bay area, including transportation and meals, will be reimbursed at actual cost subject to the City of Palo Alto’s policy for reimbursement of travel and meal expenses for City of Palo Alto employees.

B. Long distance telephone service charges, cellular phone service charges, facsimile transmission and postage charges are reimbursable at actual cost.

All requests for payment of expenses shall be accompanied by appropriate backup information. Any expense anticipated to be more than $ shall be approved in advance by the CITY’s project manager.

ADDITIONAL SERVICES

The CONSULTANT shall provide additional services only by advanced, written authorization from the CITY. The CONSULTANT, at the CITY’s project manager’s request, shall submit a detailed written proposal including a description of the scope of services, schedule, level of effort, and CONSULTANT’s proposed maximum compensation, including reimbursable expenses, for such services based on the rates set forth in Exhibit C-1. The additional services scope, schedule and maximum compensation shall be negotiated and agreed to in writing by the CITY’s Project Manager and CONSULTANT prior to commencement of the services. Payment for additional services is subject to all requirements and restrictions in this Agreement.
Work required because the following conditions are not satisfied or are exceeded shall be considered as Additional Services:
EXHIBIT "C-1"
HOURLY RATE SCHEDULE
EXHIBIT “D”
INSURANCE REQUIREMENTS

CONTRACTORS TO THE CITY OF PALO ALTO (CITY), AT THEIR SOLE EXPENSE, SHALL FOR THE TERM OF THE CONTRACT OBTAIN AND MAINTAIN INSURANCE IN THE AMOUNTS FOR THE COVERAGE SPECIFIED BELOW, AFFORDED BY COMPANIES WITH THE BEST’S KEY RATING OF A-VII, OR HIGHER, LICENSED OR AUTHORIZED TO TRANSACT INSURANCE BUSINESS IN THE STATE OF CALIFORNIA.

AWARD IS CONTINGENT ON COMPLIANCE WITH CITY’S INSURANCE REQUIREMENTS, AS SPECIFIED, BELOW:

<table>
<thead>
<tr>
<th>REQUIRED</th>
<th>TYPE OF COVERAGE</th>
<th>REQUIREMENT</th>
<th>MINIMUM LIMITS</th>
</tr>
</thead>
<tbody>
<tr>
<td>YES</td>
<td>WORKER’S COMPENSATION</td>
<td>STATUTORY</td>
<td></td>
</tr>
<tr>
<td>YES</td>
<td>EMPLOYER’S LIABILITY</td>
<td>STATUTORY</td>
<td></td>
</tr>
<tr>
<td>YES</td>
<td>GENERAL LIABILITY, INCLUDING PERSONAL INJURY, BROAD FORM PROPERTY DAMAGE BLANKET CONTRACTUAL, AND FIRE LEGAL LIABILITY</td>
<td>BODILY INJURY</td>
<td>$1,000,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>PROPERTY DAMAGE</td>
<td>$1,000,000</td>
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<tr>
<td></td>
<td></td>
<td>BODILY INJURY &amp; PROPERTY DAMAGE COMBINED</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>YES</td>
<td>AUTOMOBILE LIABILITY, INCLUDING ALL OWNED, Hired, NON-OWNED</td>
<td>BODILY INJURY</td>
<td>$1,000,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- EACH PERSON</td>
<td>$1,000,000</td>
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<tr>
<td></td>
<td></td>
<td>- EACH OCCURRENCE</td>
<td>$1,000,000</td>
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<td></td>
<td></td>
<td>PROPERTY DAMAGE</td>
<td>$1,000,000</td>
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<tr>
<td></td>
<td></td>
<td>BODILY INJURY AND PROPERTY DAMAGE, COMBINED</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>YES</td>
<td>PROFESSIONAL LIABILITY, INCLUDING ERRORS AND OMISSIONS, MALPRACTICE (WHEN APPLICABLE), AND NEGLIGENT PERFORMANCE</td>
<td>ALL DAMAGES</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>YES</td>
<td>THE CITY OF PALO ALTO IS TO BE NAMED AS AN ADDITIONAL INSURED: CONTRACTOR, AT ITS SOLE COST AND EXPENSE, SHALL OBTAIN AND MAINTAIN, IN FULL FORCE AND EFFECT THROUGHOUT THE ENTIRE TERM OF ANY RESULTANT AGREEMENT, THE INSURANCE COVERAGE HEREIN DESCRIBED, INSURING NOT ONLY CONTRACTOR AND ITS SUBCONTRACTORS, IF ANY, BUT ALSO, WITH THE EXCEPTION OF WORKERS’ COMPENSATION, EMPLOYER’S LIABILITY AND PROFESSIONAL INSURANCE, NAMING AS ADDITIONAL INSUREDS CITY, ITS COUNCIL MEMBERS, OFFICERS, AGENTS, AND EMPLOYEES.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

I. INSURANCE COVERAGE MUST INCLUDE:
   A. A PROVISION FOR A WRITTEN THIRTY DAY ADVANCE NOTICE TO CITY OF CHANGE IN COVERAGE OR OF COVERAGE CANCELLATION; AND
   B. A CONTRACTUAL LIABILITY ENDORSEMENT PROVIDING INSURANCE COVERAGE FOR CONTRACTOR’S AGREEMENT TO INDEMNIFY CITY.
   C. DEDUCTIBLE AMOUNTS IN EXCESS OF $5,000 REQUIRE CITY’S PRIOR APPROVAL.

II. CONTRACTOR MUST SUBMIT CERTIFICATES(S) OF INSURANCE EVIDENCING REQUIRED COVERAGE.

III. ENDORSEMENT PROVISIONS, WITH RESPECT TO THE INSURANCE AFFORDED TO “ADDITIONAL INSUREDS”
   A. PRIMARY COVERAGE
   WITH RESPECT TO CLAIMS ARISING OUT OF THE OPERATIONS OF THE NAMED INSURED, INSURANCE AS AFFORDED BY THIS POLICY IS PRIMARY AND IS NOT ADDITIONAL TO OR CONTRIBUTING WITH ANY OTHER INSURANCE CARRIED BY OR FOR THE BENEFIT OF THE ADDITIONAL INSUREDS.
   B. CROSS LIABILITY
THE NAMING OF MORE THAN ONE PERSON, FIRM, OR CORPORATION AS INSURED UNDER THE POLICY SHALL NOT, FOR THAT REASON ALONE, EXTINGUISH ANY RIGHTS OF THE INSURED AGAINST ANOTHER, BUT THIS ENDORSEMENT, AND THE NAMING OF MULTIPLE INSUREDS, SHALL NOT INCREASE THE TOTAL LIABILITY OF THE COMPANY UNDER THIS POLICY.

C. NOTICE OF CANCELLATION

1. IF THE POLICY IS CANCELED BEFORE ITS EXPIRATION DATE FOR ANY REASON OTHER THAN THE NON-PAYMENT OF PREMIUM, THE ISSUING COMPANY SHALL PROVIDE CITY AT LEAST A THIRTY (30) DAY WRITTEN NOTICE BEFORE THE EFFECTIVE DATE OF CANCELLATION.

2. IF THE POLICY IS CANCELED BEFORE ITS EXPIRATION DATE FOR THE NON-PAYMENT OF PREMIUM, THE ISSUING COMPANY SHALL PROVIDE CITY AT LEAST A TEN (10) DAY WRITTEN NOTICE BEFORE THE EFFECTIVE DATE OF CANCELLATION.

NOTICES SHALL BE MAILED TO:

PURCHASING AND CONTRACT ADMINISTRATION
CITY OF PALO ALTO
P.O. BOX 10250
PALO ALTO, CA 94303
Attachment F

SAMPLE COST PROPOSAL FORMAT -- RFP

(The City is looking for a submittal in this format – content should match cost for scope of services required)

<table>
<thead>
<tr>
<th>Scope</th>
<th>Labor Categories (e.g., Consultant, Sr. Consultant, etc.)</th>
<th>Est. Hours</th>
<th>Hourly Rate</th>
<th>Extended Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Task 1</td>
<td></td>
<td></td>
<td>$</td>
<td>$</td>
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<tr>
<td>Travel and Living Expenses</td>
<td></td>
<td></td>
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<tr>
<td>TOTAL NOT TO EXCEED, TASK 1</td>
<td></td>
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<tr>
<td>Task 2</td>
<td></td>
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<tr>
<td>Travel and Living Expenses</td>
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<tr>
<td>TOTAL NOT TO EXCEED, TASK 2</td>
<td></td>
<td></td>
<td>$</td>
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<tr>
<td>Task 3</td>
<td></td>
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<tr>
<td>Travel and Living Expenses</td>
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<tr>
<td>TOTAL NOT TO EXCEED, TASK 3</td>
<td></td>
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<td>$</td>
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<tr>
<td>TOTAL NOT TO EXCEED (TASKS 1 – 3)</td>
<td></td>
<td></td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>
April 14, 2011

Greg Pustelnik, Purchasing Manager
City of Palo Alto
Purchasing and Contracts Administration
250 Hamilton Ave., M-Level
Palo Alto, CA 94301

Dear Mr. Pustelnik:

Thank you for the opportunity to submit our recruitment proposal for the position of City Auditor for the City of Palo Alto. Attached is our detailed proposal of services in accordance with your RFP Number 141034.

We take great pride in our ability to provide exceptional results with a high degree of customer satisfaction and would welcome the opportunity to work with your City in support of this recruitment. If you have any questions, please do not hesitate to call Paul Kimura or myself at 408-399-4424.

Sincerely,

Paul Kimura
PROPOSAL FOR THE CITY OF PALO ALTO
RECRUITMENT FOR THE NEW CITY AUDITOR

Chapter 1
Proposal Summary

Avery Associates is a highly successful Santa Clara County based firm. We have exceptional knowledge of the local and county issues that affect municipal government and executive search. Both Bill Avery and Paul Kimura are long time residents in the County, and both graduated from San Jose State University. Bill was a former Town Manager for the Town of Los Gatos and has an exceptional background supporting City Councils, executive staff and the municipal sector in both executive search and labor relations. Paul grew up in Palo Alto and graduated from Palo Alto High School. He joined the firm following a career as a Silicon Valley based high technology HR executive. Their collective local history provides the firm with knowledge and insights that are valuable in representing Palo Alto to prospective candidates. This ability to provide firsthand knowledge regarding the city, the region and various quality of life issues is especially valuable in engaging potential applicants and in closing a candidate.

The firm differentiates itself in several ways. Our Principals are active in all aspects of each recruitment. This hands-on involvement includes client interface, development of search strategy, candidate identification, interviewing and assessment, candidate presentation, facilitation of consensus deliberation and assistance with candidate closure.

Exceptional service delivery and a very high quality work product provide excellent results for our clients. This begins with the initial client meetings, which lead to detailed timelines for deliverables followed by weekly recruitment status updates following initiation of the search. Our candidate outreach efforts are professionally and confidentially conducted. The evaluation materials we provide clients are routinely characterized as accurate, comprehensive and of very high quality. We believe more so than any other public sector recruitment firm. This is largely based on our interview system utilizing behavioral interview techniques. This leads to a quality product with excellent end results for our clients.

The service element is based on two factors: The first is the collective service philosophy from all of our organizational team members. They are each dedicated to providing service and support to clients. The second factor is based on the high level of engagement and participation from the firm Principals in every search assignment. This hands-on involvement includes client interface, identifying and developing the ideal candidate profile and position specification, development of the search strategy, candidate outreach, interviewing and assessment, completion of reference interviews, candidate presentation, final interview facilitation and when desired, negotiation of employment terms with the successful candidate. We’re pleased that each of our recruitments has resulted in a successful closure within the projected timeframe. Most
importantly, our clients have expressed a high degree of satisfaction in the quality and depth of our service.

Our work product also gets very positive feedback. The comprehensive nature of our candidate profiles provides an excellent background to hiring authorities. Much of this is based on our "behavioral" interview methodology. This interview approach explores a candidate's past accomplishments and experiences and evaluates those as the basis for future performance.

Finally, our support throughout the recruitment process is exceptional. The range of our services begins with extensive outreach to identify the ideal candidate profile to negotiation (with the selected candidate) of final terms and conditions of employment. We feel our involvement and active participation throughout the search process is unmatched in the public sector executive search profession.
Firm Contacts

Bill Avery, Principal
William Avery & Associates, Inc.
3-1/2 N. Santa Cruz Ave., Suite A
Los Gatos, CA 95030
Phone: 408-399-4424
Cell: 408-472-7873
Fax: 408-399-4423
Email: bill@averyassoc.net

Paul Kimura, Principal
William Avery & Associates, Inc.
3-1/2 N. Santa Cruz Ave., Suite A
Los Gatos, CA 95030
Phone: 408-399-4424
Cell: 408-472-7936
Fax: 408-399-4423
Email: paulk@averyassoc.net
Chapter 2
Avery Associates - Profile

William Avery & Associates, Inc (Avery Associates) is a successful Management Consulting firm based in Los Gatos, California. Incorporated in 1982, the firm specializes in Labor Relations, Executive Search and Human Resources/Management Consulting. The firm currently includes two Principals and several key consultants. Bill Avery, the founder of Avery Associates, heads the firm and oversees the Labor Relations practice. He also leads key searches. Paul Kimura is the Principal who oversees the Search and Recruitment practice. The management consulting practice is led by Les White, a former City Manager for the cities of San Jose and Fullerton. This division is comprised of seasoned local government professionals who have served as city managers, department heads and non-profit executives. In addition to conducting management and organizational evaluations, they are available to lend their expertise to executive searches.

Among key staff members that support the search practice are Ann Slate and Cris Piasecki. The management consulting practice is supported by Darrell Dearborn, John Guthrie and Dan McFadden. The firm's administrative staff includes Anne Matteini, the Finance/Contracts Administrator, and Jackie Collins and Jessica Towner. The team is augmented by temporary staff as needed.

Avery Associates began its search practice in 1997. Since that time, it has become one of the leading public sector recruitment firms in the State. The company has established a solid operational and financial foundation, and continues to meet the needs of its clients. At any given timeframe, the firm is capable of handling ten executive recruitments simultaneously. Avery Associates has never been involved in any litigation regarding our consulting practice.
Chapter 3
Qualifications of the Firm

Avery Associates is well suited to handle this assignment. The firm’s recruitment practice has completed between 40 – 55 public sector executive recruitments annually during the past five years. The vast majority of these assignments were at the department head or higher levels of local government organizations.

Our experience base with finance and auditing positions is strong. Most local government entities utilize their finance organization or external contractors to handle audit functions. Among recent assignments completed or nearing completion that included audit responsibilities are: Finance Directors for the cities of Napa (completion expected April 2011), Salinas (completed March 2011), San Leandro (October 2010) and the CFO/Asst City Mgr for the City of Inglewood (November 2009). Additionally, we completed a Finance Director assignment in 2009 for the County of Marin in which the previous functions of Auditor/Controller and Treasure/Tax Collector were consolidated into the role of the County Finance Director. In 2008, we completed recruitments for the Deputy Director of Finance for the City of San Jose and Finance Director for the City of Oceanside.

Mr. Avery, having served in the past as a City Manager, provides the direct experience and knowledge of city administration. Mr. Kimura’s expertise in executive, technical and business recruitment, which he gained during his nineteen years of advanced technology experience, provides the basis for many of the recruitment strategies and tactics utilized by the firm. Collectively, the firm’s Principals offer exceptional expertise in the area of executive recruitment.

We’re pleased that each of our recruitments has resulted in a successful closure within the projected timeframe. More importantly, our clients have expressed a high degree of satisfaction in the quality and depth of our service.
Chapter 4
Work Plan and Consultant Services Provided

I. Position Profile and Organizational Assessment – Development of the Job Announcement

The initial assessment phase is a critical component of the search process. Mr. Kimura will meet individually with the City Council designees, or with the recruitment subcommittee to discuss the organizational needs, key priorities of the position and requirements for the position.

Our goal for this aspect of the recruitment process is to:

- Understand the City and organizational priorities for this position.
- Develop a clear understanding and consensus on the expertise, experience, education, performance attributes, interpersonal skills and operational style of the ideal candidate.
- Discuss the goals, objectives, deliverables, and challenges related to this position.
- Gain insight of the various organizational dynamics and departmental issues that exist within the organization.
- Identify the compelling aspects to this opportunity.

The formal position description and a subsequent ideal candidate profile would be developed from the above discussions and incorporated into the formal position announcement. The candidate profile is also utilized in various other means as a marketing tool, for advertising copy, postings, and for other announcements.

In assessing the strengths of candidates, our methodology of behavioral based interviewing is a proven means of “predicting” future performance based on “past” behavior. Our approach here allows us to gain excellent insight to a candidate and provide that insight to our clients.

II. Development of the Search Strategy and Candidate Outreach/Development - Sources for Job Posting and Advertising

The search strategy is developed in conjunction with the organizational assessment. For this assignment, we feel it is critical to develop a high level of visibility with a comprehensive outreach program supplemented by a focused targeted recruitment approach. We are also sensitive to reaching a diverse applicant pool. We would incorporate the following elements into this search:
• Development and contact of a targeted candidate list based on our extensive database of recruitment contacts, referrals and recommendations from key sources and other current and former incumbents or related personnel. Due to the extensive range of public sector recruitments we’ve completed and the active nature of our direct phone/email outreach, our database is both comprehensive and current.

• Extensive utilization of Internet-based job boards and association-based websites. This is an effective way to create visibility for the position.

• Research, which begins with identification and contact of current incumbents or other candidates who meet the profile, but are not actively seeking employment. This is the crux of our direct and aggressive phone and email outreach approach. It is our experience that despite extensive mailing, postings and announcements, many qualified individuals will not know of a position being available.

• An extensive, personalized mailing campaign to individuals identified through public sources and the identification process described above.

• Utilization of print advertising in various periodicals. These may include discipline-specific periodicals, or general distribution magazines such as Western City, ICMA Newsletter or Jobs Available.

• Development and distribution of the comprehensive position announcement to various city, county, and state departments, as well as agencies throughout the state and country.

• Reaching out to ethnically based or gender based organizations via email campaigns and/or direct mail and phone outreach.

III. Candidate Assessment

Our assessment process involves several “tiers” of evaluation. All candidates responding to this position will initially be evaluated based on their resume and if appropriate, an extensive phone “screening” by a firm Consultant. Candidates who pass the initial “qualifying” criteria are then scheduled for a formal interview with the Principal in charge of the project. These extended personal interviews typically take one hour and a thorough discussion of their experience, accomplishments, management philosophy and interpersonal style takes place.

In interviewing candidates, we utilize a methodology based on “behavioral” interview techniques. Fundamentally, this approach explores a candidate’s past accomplishments and experiences. The philosophy here is that the best indicator of future performance is assessing past behavior. This methodology allows the firm to “project” how a candidate would approach and address challenges in the new position.
Those individuals who best fit the position requirements will have a Candidate Assessment Report developed by the Principal who conducted the interview. Additionally, two initial reference interviews are performed on these candidates. The reference interviews provide our clients with additional insights on the candidate’s “behavior” and style.

IV. Candidate Presentation

Upon completion of formal interviews and initial reference interviews, a selection of candidates for presentation is made. Typically, the number of final candidates requested by our clients range from five to seven. We feel our extensive screening, interview, and reference process; combined with the knowledge gained during our initial assessment period, enable our client to proceed with fewer rather than more finalists.

The final candidates are presented in our candidate presentation “book.” Each finalist will have a file consisting of a candidate summary sheet, a resume, the Candidate Assessment Report (based on the formal interview), and candidate reference reports.

V. Selection Process

Once the final candidate interview group is identified, we will assist in the structuring of the interview process and coordinate the interview scheduling activity. Our firm will also provide candidates with guidance related to travel planning, hotel accommodations, as well as other interview planning issues.

Upon request, our firm will also arrange for summary background evaluations on the City’s final one or two candidates. A copy of these confidential reports can be provided for you. The costs for these investigations are considered independent of the recruitment expenses listed below and will be invoiced separately.

VI. Position Closure and Follow-Up

Based on the firm’s experience in human resource management and executive search, we are able to assist our clients in the formulation of appropriate compensation and other employment arrangements. We will be available throughout our retention to assist in this process.

As a matter of policy, Avery Associates monitors the transition and progress of any executive we place with a client. Within the first three to six months after the City has hired the individual, we will speak with that individual to ensure that an effective transition has occurred. During the same period, we will also review the individual’s status with your office.
Chapter 5
Proposed Innovations

• Following initial meetings to develop the candidate profile, we develop a four color, poster quality brochure designed to “market” the opportunity. This is available as a pdf file and is printed and sent directly to individuals within the professional discipline for whom we are recruiting.

• Our outreach efforts extend beyond “passive” techniques (ads, internet positions). For every search we establish a contact list that expands throughout the course of outreach. Direct contact of potential sources or applicants is an essential part of our work.

• Our work product provides excellent insight into a recommended candidate. This includes a comprehensive candidate assessment based on the formal interview and two documented reference interviews.

• A total focus on public sector consulting. Over 95% of our recruitment activity supports local or regional government entities. The remainder supports the non-profit sector.

• Both Mr. Avery and Mr. Kimura, the two company principals, are accessible 24/7 via cell phone and email. They are also available for night and weekend meetings or interviews with clients and candidates.

• We offer an unconditional two year guarantee on all of our placements.
Chapter 6
Project Staffing

Paul will serve as the Principal in charge of this project and will be assisted by the staff of Avery Associates. Mr. Kimura will be personally involved in development of the ideal candidate profile, development of the search strategy, oversight of candidate outreach, interview and assessment of candidates, presentation of candidate recommendations, participation in the final interview process, and will be available throughout the search process to provide other consulting services.

Avery Profile
Paul Kimura

Paul Kimura brings a unique combination of recruitment and business experience to Avery clients.

Paul is involved in leading Avery's public sector professional searches. He has been both a corporate recruitment director and HR director for a number of high technology companies, ranging from Fortune 500 firms such as Novell and National Semiconductor to a Silicon Valley start-up. His proven recruitment and HR generalist skills help him bring forward the best available candidates and properly assess their skills and "fit" with client organizations.

Indeed, many of the recruitment strategies and tactics incorporated into the Avery search process are a direct result of Paul's extensive recruitment experience in the high technology industry.

Paul has been a successful HR consultant, guiding clients through all aspects of Human Resources functions — compensation & benefits, employee and management training, performance management, and termination issues.

He is skilled in areas such as strategic planning, executive coaching, separation negotiation, and organizational assessment and design. It's another service that Avery Associates is able to offer its clients because of the unique background of its principals — and Paul's extended skill set in Human Resources underscores the fact that Avery professionals "have been there" and understand your needs from a personal perspective.

Paul holds a B.S. degree in Business Administration from San Jose State University. He is active in professional HR organizations and in the community, where he has worked with a number of education, youth service, civic, business, and cultural organizations.
Avery Profile
William Avery

William Avery founded his successful management consulting firm in 1981. He has directed William Avery & Associates in service as a Labor Relations and Executive Search consultancy, serving personally as a chief negotiator, trainer, and representative in grievance and disciplinary matters.

A specialist and widely recognized expert in employer-employee relations, he has served as a City Manager (Los Gatos) and Assistant City Manager. While City Manager, he was President of the Santa Clara County City Manager's Association and Chair of the County Employee Relations Service.

Bill has lectured at De Anza College, San Jose State University, and Stanford University, and regularly makes presentations for the League of California Cities, CALPELRA, and other public sector organizations.

Building on his personal track record of success, he expanded the firm's focus to include increased emphasis on public and private sector search. He added proven industry professionals with expertise in these areas. The result has been to create an exceptionally strong management consulting firm, now known as Avery Associates, with the expertise to provide the full range of services required for successful public or private sector executive search.

A key measure of the firm's success has been the many long-term relationships that he and his staff have established with clients.

Bill holds B.A. in Political Science and an MPA from San Jose State University, where he was graduated with highest honors.
Chapter 7
Proposal Exceptions

None.

Chapter 8
Proposal Costs

Based on the services described in our proposal, the Professional Services Consulting Fee for this recruitment will be $16,900. We would ask for an initial retainer of $5,200 upon presentation of the draft job announcement to the city. A second invoice of $6,500 will be submitted at the time of final selection of candidates is made by the city. The final invoice of $5,200 will be submitted at the completion of the assignment.

Normal and direct out-of-pocket expenses associated with the search are charged back to the client. Expenses for this assignment would not exceed $7,000 without the express consent of the City. These expenses include: advertising, clerical time, supplies, printing, telephone, postage, and consultant travel for client discussions, meetings and local and out-of-area candidate interviews and background checks on the candidate(s). All expense items will be detailed and billed on a monthly basis.

The consulting fee will be inclusive of all services defined within this proposal unless otherwise stated. This would include development and facilitation of an oral board examination process.
The sample table reflects the hours dedicated to each step of the recruitment process as defined by the Work Plan.

<table>
<thead>
<tr>
<th>Scope</th>
<th>Labor Categories (e.g., Consultant, Sr. Consultant, etc.)</th>
<th>Est. Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Position Profile and Assessment of City Needs – meetings with Council, staff and stakeholders</td>
<td>Principal</td>
<td>7</td>
</tr>
<tr>
<td>Development of Recruitment Plan</td>
<td>Principal</td>
<td>33</td>
</tr>
<tr>
<td>Preparation of Recruitment/Advertising Material and Job Posting</td>
<td>Clerical</td>
<td>10</td>
</tr>
<tr>
<td>Candidate Outreach</td>
<td>Principal</td>
<td>22</td>
</tr>
<tr>
<td>Candidate Assessment – qualifying and interviews</td>
<td>Clerical</td>
<td>12</td>
</tr>
<tr>
<td>Candidate Presentation Materials – formal assessments and references</td>
<td>Principal</td>
<td>8</td>
</tr>
<tr>
<td>Final Interviews/Selection Process</td>
<td>Clerical</td>
<td>4</td>
</tr>
</tbody>
</table>
Chapter 9
Guarantees and Ethics

Whenever William Avery & Associates, Inc. is retained we guarantee a complete commitment to a client. Due to our experience, knowledge and success within the management consulting field, we assure all clients that we will only present candidates who meet the majority of the qualifications that you have identified. We are also committed to continue our search efforts until a successful candidate is employed.

It is also our practice to replace a candidate who may voluntarily resign during the first two years of his/her employment. This same commitment applies if the client finds it necessary to terminate or to request the resignation of the selected individual in the first two years for reasons which would have precluded his/her employment had they been known at the time employment started. In either case, we invoice a client only for out-of-pocket expenses incurred in identifying a replacement.
Attachment C
Proposer's Information Form

PROPOSER (please print):

Name: William Avery and Associates, Inc.

Address: 3-1/2 N. Santa Cruz Ave., Suite A

Los Gatos, CA

Telephone: 408-399-4424 Fax: 408-399-4423

Contact person, title, telephone and fax number: Paul Kimura, Principal;

408-399-4424; 408-399-4423

Proposer, if selected, intends to carry on the business as (check one)

☐ Individual ☐ Joint Venture

☐ Partnership

☒ Corporation

When incorporated? 1982

In what state? California

When authorized to do business in California?: 1982

☐ Other (explain): ________________________________

ADDENDA

To assure that all Proposers have received each addendum, check the appropriate box(es) below. Failure to acknowledge receipt of an addendum/addenda may be considered an irregularity in the Proposal:

Addendum number(s) received: ☐ 1; ☐ 2; ☐ 3; ☐ 4; ☐ 5; ☐ 6;

PROPOSER'S SIGNATURE

No proposal shall be accepted which has not been signed in ink in the appropriate space below:
By signing below, the submission of a proposal shall be deemed a representation and certification by the Proposer that they have investigated all aspects of the RFP, that they are aware of the applicable facts pertaining to the RFP process, its procedures and requirements, and they have read and understand the RFP. No request for modification of the proposal shall be considered after its submission on the grounds that the Proposer was not fully informed as to any fact or condition.

1. If Proposer is INDIVIDUAL, sign here

Date: ___________  
Proposer's Signature 

Proposer's typed name and title

2. If Proposer is PARTNERSHIP or JOINT VENTURE, at least (2) Partners or each of the Joint Venturers shall sign here:

Partnership or Joint Venture Name (type or print) 

Date: ___________  
Member of the Partnership or Joint Venture signature 

Date: ___________  
Member of the Partnership or Joint Venture signature

3. If Proposer is a CORPORATION, the duly authorized officer(s) shall sign as follows:

The undersigned certify that they are respectively:

Paul Kimura and Principal 
Title 

Of the corporation named below; that they are designated to sign the Proposal Cost Form by resolution (attach a certified copy, with corporate seal, if applicable, notarized as to its authenticity or Secretary's certificate of authorization) for and on behalf of the below named CORPORATION, and that they are authorized to execute same for and on behalf of said CORPORATION.

William Avery and Associates, Inc. 
Corporation Name (type or print) 

By: ___________  Date: ___________  

Title: Principal
Proposal to Provide Executive Search Services for the position of City Auditor for the City of Palo Alto

Submitted April 13, 2011
Prepared by Ralph Andersen & Associates www.ralphandersen.com

We Support Green Government
Attracting top talent has never been more complex and Ralph Andersen & Associates is highly qualified to assist the City of Palo Alto with recruiting its new City Auditor. We have conducted more successful executive recruitments than any other firm since 1972.

The City has requested our proposal to assist in the identification and recruitment of a highly qualified group of candidates for the new City Auditor. In particular, the City of Palo Alto is seeking a firm with a strong presence in California and the Western Region and professional experience to clearly assess the City’s needs and formulate a strategy to deliver results.

At Ralph Andersen & Associates, we believe that gaining a complete understanding of our client’s specific objectives and priorities is essential prior to launching any search assignment. This process includes the identification and incorporation of a variety of important details such as the candidate’s desired skills and experience as well as the critical “soft skills” related to temperament, personality, management philosophy, and other factors that will ultimately determine the candidate’s “fit” with the organization.

We understand that the City expects aggressive, personalized outreach to identify a diverse and highly qualified applicant pool and a selection process that includes comprehensive candidate reports based on thorough reference and background checks. We will begin with the desired characteristics and build a recruitment strategy that is tailored to meet the City of Palo Alto’s specific needs. The resulting outreach and advertising campaign will incorporate the extensive use of personal outreach to recruit a highly qualified group of candidates.
Below is a listing of individuals and contacts for this recruitment. All individuals can be reached via firm’s corporate office at (916) 630-4900, or via cell phone or email. The mailing address for all members of the project team is 5800 Stanford Ranch Road, Suite 410, Rocklin, California 95765.

<table>
<thead>
<tr>
<th>Contact</th>
<th>Cell Phone</th>
<th>Email</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heather Renschler</td>
<td>(916) 804-2885</td>
<td><a href="mailto:heather@ralphandersen.com">heather@ralphandersen.com</a></td>
</tr>
<tr>
<td>Doug Johnson</td>
<td>(916) 715-2540</td>
<td><a href="mailto:doug@ralphandersen.com">doug@ralphandersen.com</a></td>
</tr>
<tr>
<td>William Thomas</td>
<td>(502) 415-2932</td>
<td><a href="mailto:bill.thomas@ralphandersen.com">bill.thomas@ralphandersen.com</a></td>
</tr>
<tr>
<td>Robert Burg</td>
<td>(805) 264-2663</td>
<td><a href="mailto:robert@ralphandersen.com">robert@ralphandersen.com</a></td>
</tr>
</tbody>
</table>
History of the Firm

Ralph Andersen & Associates, a California Corporation, has been providing executive search and management consulting services since 1972. As such, the executive recruitment techniques used by Ralph Andersen & Associates have been developed and used successfully with hundreds of clients for almost 40 years. The Corporate Office of Ralph Andersen & Associates is located in the Sacramento Area (Rocklin). The principals of the firm are Ms. Heather Renschler, President/CEO, and Mr. Robert Burg, Executive Vice President.

Ralph Andersen & Associates is a California Corporation and is not a subsidiary nor does it have any subsidiaries. The firm currently has nine employees.

With Ralph Andersen & Associates, there is an entire team behind every recruitment. Our firm takes a multi-disciplined, team approach to executive search. Successful outreach relies heavily on person-to-person contact to identify outstanding potential candidates and, in the evaluation phase, to gain a complete understanding of the background, experience, and management style of the top candidates. By drawing on the combined expertise of our associates and our network of professional contacts, we address outreach from a wide variety of perspectives and find unique ways to identify and recruit the best and brightest.

Ralph Andersen & Associates serves a nationwide clientele through its Corporate Office in Sacramento, California. Clients served are on a national basis and the firm is currently working on projects of national significance and importance across the United States. A multi-disciplined, full-
service local government consulting organization, Ralph Andersen & Associates is dedicated to helping our clients improve operating efficiency and organizational effectiveness.

Our national staff of professionals and support staff includes acknowledged leaders in their respective fields. Supplementing their extensive consulting backgrounds, our senior staff all have personal, hands-on executive experience in the operation of public agencies and private businesses.

**Range of Services Offered** – Ralph Andersen & Associates specializes in the following primary service areas: management consulting, public safety and executive search.

- **Management Consulting** – Ralph Andersen & Associates helps organizations improve their performance potential with a range of management consulting services. The types of services provided by the firm include management and performance audits, organizational analyses, productivity improvement analyses, agency and service consolidation assessment, specialized financial management including debt restructuring and organizational problem solving. In addition to providing these services to entire organizations, the firm often conducts management consulting engagements that are focused in a specific service area such as public safety, city management, finance, public works, community development and other major service areas. Ralph Andersen & Associates treats every management consulting engagement as unique. This approach means we will assemble a consulting team comprised of consultants with the specific talents and experiences needed to successfully achieve the client’s objectives. Our team of experienced consultants perform complex analyses and recommend solutions that are practical and most importantly, are capable of being implemented by our clients.

- **Public Safety** – Working closely with our clients to implement innovative emergency management solutions, Ralph Andersen & Associates helps organizations plan, protect and serve people better than ever before. We bring together practical solutions, plans, and processes that are operationally deployable to help our clients achieve their critical objectives. The firm’s consultants have extensive, hands-on experience in planning and disaster preparedness training for private and public institutions including healthcare, public health, human services, and local, state and federal government agencies.

- **Executive Search** – At Ralph Andersen & Associates, there’s always an entire team behind every recruitment assignment that we undertake. Our multi-disciplinary approach takes the best ideas in executive recruiting and creates innovative ways to get the right candidates for clients. When you retain Ralph Andersen & Associates, you actually get an entire team’s worth of support and expertise working together to achieve your organization’s objectives. The firm has conducted executive searches for large and small organizations throughout the nation. In addition to conducting searches for city manager and other chief executive officer positions, Ralph Andersen & Associates has successfully completed searches in every area of municipal service. Ralph Andersen & Associates believes the most important element of a successful executive search is to listen carefully to what our clients are looking for in terms of candidate experience and qualifications. Using these client-focused guidelines, candidate identification is undertaken through marketing and personal outreach. Our confidence in this approach to executive search is illustrated by the firm’s guarantee to perform the search again at no service cost to the client if the selected candidate leaves the position within one year of placement.
Financial Solvency

Ralph Andersen & Associates has been a financially stable organization since its inception in 1972. Our range of consulting and recruitment services is diverse and varied. For this reason, we have been able to remain nimble and flexible in a very competitive environment. We continue to tailor our search and consulting services offered and remain responsive and prepared to address complex issues and problem solving on behalf of our clients. This has been a hallmark of our success.

Should Ralph Andersen & Associates be selected to conduct this search, we would be pleased to have our firm's CPA firm (Paskins & Achziger) available to confirm our financial solvency.

Litigation History

Ralph Andersen & Associates is not currently involved nor has the firm ever been involved in any litigation.
Qualifications of the Firm

Relevant Search Experience

Ralph Andersen & Associates conducts a wide array of searches in the public sector. Our experience spans populations of all sizes, from the largest in the country to small and mid-size municipalities.

Of specific interest to the City of Palo Alto is the firm's recent selection to conduct the following key position, made even more critical due to the agency now being under federal receivership:

- Philadelphia Housing Authority, Pennsylvania
  - Director of Audit and Compliance (*Current Search – Brochure Attached*)

We are also strong in the public finance arena and have a strong network and relationships in the finance community as demonstrated by our more recent clients:

- Baltimore, Maryland
  - Deputy Director of Finance
- Folsom, California
  - Director of Finance
- Franchise Tax Board, State of California
  - Executive Officer
- Housing Authority of the City of Los Angeles
  - Chief Financial Officer
- Menifee, California
  - Finance Director
- San Francisco International Airport
  - Finance Director
- Santa Monica, California
  - Assistant Director of Finance
- Solano Irrigation District
  - Finance Director
- Stockton, California
  - Chief Financial Officer
References

At Ralph Andersen & Associates, we feel strongly that our past client relationships will attest to the professionalism of our services. We would be pleased to provide additional references upon the City's request.

Local References:

- City of Sunnyvale
  Gary Luebbers, City Manager
  (408) 730-7242
  Project: Human Resources Director
  Total Project Cost (Limited Search Only): $16,200
  Percentage of Work Performed by Firm: 100%
  Timeframe: January 2010 to April 2010
  Contact via e-mail: gluebbers@ci.sunnyvale.ca.us

- San Francisco International Airport
  Gloria Louie, Equal Employment Opportunity, Diversity and Training Director
  (650) 821-3588
  Project: Chief Financial Officer
  Total Project Cost: $49,000
  Percentage of Work Performed by Firm: 100%
  Timeframe: January 2008 to September 2008
  Contact via e-mail: Gloria.louie@slysfo.com

Finance Related References:

- City of Stockton, California
  Laurie Montes, Deputy City Manager
  (209) 937-8843
  Project: Recruitment for the position of Chief Financial Officer
  Total Project Cost: $22,500
  Percentage of Work Performed by Firm: 100%
  Timeframe: August 2010 to December 2010
  Contact via e-mail: laurie.montes@ci.stockton.ca.us

- City of Menifee, California
  Julie Woodruff, Assistant to the City Manager
  951-672-6777
  Project: Recruitment for the position of Finance Director
  Total Project Cost: $23,000
  Percentage of Work Performed by Firm: 100%
  Timeframe: December 2010 to March 2011
  Contact via e-mail: jwoodruff@ci.menifee.us

Ralph Andersen & Associates is committed to our clients, providing exceptional service, on time, within budget, as promised.
Summary of Our Search Process

The successful search process relies heavily on person-to-person contact to identify outstanding potential candidates and, in the evaluation phase, to gain a complete understanding of the background, experience, and management style of the top candidates. The executive recruitment techniques used by Ralph Andersen & Associates have been developed and used successfully with hundreds of clients for almost 40 years.

As listed in the City's RFP, the following services would be provided to the City in the conduct of this recruitment.

- Recruit qualified candidates, based on candidate profile developed with Council.
- Prepare the brochure and assist in developing a mailing list.
- Prepare and place advertisements in pertinent publications (See Task 3 for a partial listing of publications).
- In concert with the City Council Subcommittee and the Director of Human Resources, screen applications and resumes that are submitted. As appropriate, interview candidates as a screening tool.
- Create and assemble an innovative way to assess the candidates.
- Oversee and coordinate the interview and/or assessment process.
- Meet with the City Council Subcommittee, the Director of Human Resources, City Manager, and appropriate City staff to select the six (6) to eight (8) top candidates to participate in the interview and/or assessment process.
- Conduct background and reference checks on final candidates and prepare a confidential reference report on each. Ralph Andersen & Associates will assist the City with identifying former co-workers, supervisors, Council members and community members of the top two (2) or three (3) candidates as part of completing the reference checks.

Search Work Plan

This section describes the usual steps in the search for a new City Auditor for the City of Palo Alto. The Search Team will be under the direction of Ms. Heather Renschler, Project Director.

Task 1 – Review Project Management Approach

Ms. Renschler will meet with the City Council Subcommittee and others, as appropriate, to discuss the project management for the search. The discussion will include a review of the work plan, confirmation of timing, and communication methods.
Task 2 – Develop Position Profile

The position profile for the City Auditor is the guide for the entire search process. Please refer to the attached sample submitted with this Proposal. The development of the profile includes the collection of technical information and recruitment criteria.

Technical Information

The Project Director will meet with the Council Subcommittee and others as appropriate to gain an understanding of the experience and professional background requirements desired in the City Auditor. These meetings will also help the Project Director gain an understanding of the work environment and the issues facing the City of Palo Alto.

Recruitment Criteria

The recruitment criteria are those personal and professional characteristics and experiences desired in the City Auditor. The criteria should reflect the goals and priorities of the City of Palo Alto. The Project Director will meet with key staff in the City, and others as appropriate, to facilitate the identification and articulation of that criteria.

Subsequent to the development and adoption of the candidate profile, the technical information and recruitment criteria will be documented in an information brochure prepared by the Project Director. The brochure will be reviewed by the City in draft format, revised as appropriate, and published for use throughout the search.

Task 3 – Outreach and Recruiting

This task is among the most important of the entire search. It is the focus of the activities of the Project Director and includes specific outreach and recruiting activities briefly described below.

Outreach

An accelerated outreach and advertising campaign will be developed. It will include the placement of ads in publications such as the Institute of Internal Auditors (IIA), Government Finance Officers Association (GFOA), Jobs Available, and other professional publications. Specific Internet sites related to government will be used, including Careers In Government, as a method of extending the specific outreach in a short period of time.

Additionally, the advertisement and the full text of the position profile (the recruitment brochure) will be placed on Ralph Andersen & Associates' home page, which is accessed by a large number of qualified candidates. This method of outreach to potential applicants provides a confidential source that is monitored by many key level executives on an ongoing basis.

Candidate Identification

Ralph Andersen & Associates will use their extensive contacts to focus the recruiting effort. In making these contacts, the Project Director will target those individuals who meet the criteria set by the City. Each of the candidates identified through the recruiting efforts will be sent an information brochure. Candidates will also be contacted directly to discuss the position and to solicit their interest in being considered.
Both the outreach and recruiting activities will result in applications and resumes from interested candidates. As they are received, resumes will be acknowledged and candidates will be advised of the general timing of the search process. The following tasks involve the actual selection process, once all resumes have been received.

Task 4 – Candidate Evaluation

This task will be conducted following the application closing date. It includes the following specific activities:

**Screening**

All of the applications will be carefully reviewed. Those that meet the recruitment criteria and minimum qualifications will be identified and subject to a more detailed evaluation. This evaluation will include consideration of such factors as professional experience, and size and complexity of the candidate's current organization as compared to the candidate profile.

**Preliminary Reference Review**

The Project Director will conduct preliminary reference reviews for those candidates identified as the most qualified as a result of the screening process. Direct contact will be made with a limited number of references to learn more about the candidates' experience, past performance, and management style.

**Preliminary Interviews via Cisco WebEx**

Ms. Renschler, as the Project Director, will conduct preliminary interviews with the top group of candidates identified through the screening and preliminary reference review processes. The interviews are extensive and designed to gain additional information about the candidates' experience, management style, and "fit" with the recruitment criteria. Interviews will be done using Cisco WebEx technology or via telephone. No consultant travel for preliminary in-person interviews has been included in this proposal.

The screening portion of the candidate evaluation process typically reduces a field of applicants to approximately eight (8) to ten (10) individuals. Those individuals will be reviewed with the City prior to proceeding with the individual interviews.

Task 5 – Search Report

After completing Task 4, the Project Director will meet with the City Council Subcommittee and the Director of Human Resources to review the search report on the top candidates. The report divides all of the candidates into four groups including 1) the top group of candidates that are recommended to be interviewed in-person by the City; 2) a backup group to the first group; 3) no further consideration group; and 4) lacks minimum qualifications. The search report will include candidate resumes. The results of preliminary reference reviews and interviews will be reviewed with the City.

The results of the Search Report will be a confirmed group of finalist candidates (typically 6 to 8) that the City will interview in-person.
**Task 6 – Selection**

The final selection process will vary depending upon the desires of the City. From the City’s RFP, it is understood that the City desires an innovative way to assess the candidates and our process will be tailored to the needs of the City. Typical services provided by Ralph Andersen & Associates in the selection process are described briefly below:

- The Project Director will coordinate the selection process for the finalist group of candidates. This includes handling the logistical matters with candidates and with the City.

- The support staff of Ralph Andersen & Associates will prepare an interview booklet that includes the resumes and candidate report (with interview comments, reference checks, and other relevant information about the candidates). In addition, the booklet will contain suggested questions and areas for discussion based upon the recruitment criteria. Copies of the interview booklet will be provided in advance of the candidate interviews.

- The Project Director will attend the interviews to assist the City through the selection process. This assistance will include an initial orientation, candidate introductions, and facilitation of discussion of candidates after all interviews have been completed.

- Verifications will be made on the top candidates and will include education verifications, Department of Motor Vehicle check, wants and warrants, civil and criminal litigation search, and credit check. The results of these verifications will be discussed with the City at the appropriate time.

- Additional reference checks will be conducted on the top two (2) to three (3) candidates. For each top candidate, former co-workers, supervisors, Council members, and community members will be identified and contacted. The results of these reference checks will be discussed with the City at the appropriate time.

- As needed, the Project Director is available to provide assistance to the City in the final selection as may be desired. This assistance may include providing or obtaining any additional information desired to assist in making the final selection decision.

**Task 7 – Negotiation**

The Project Director is available to assist the City in negotiating a compensation package with the selected candidate. This may include recommendations on setting compensation levels.

Additionally, Ralph Andersen & Associates will prepare a draft employment agreement and work with the City’s Legal Counsel on the finalization of this document. As required by the Brown Act, the employment agreement for the new City Auditor will be required to be approved and voted on in a public meeting.

**Task 8 – Close Out**

After the City has reached agreement with the individual selected for the position, the Project Director will close out the search. These activities will include advising all of the finalist candidates of the status of the search by telephone.
**Project Timing**

Ralph Andersen & Associates will complete the search within 75 - 90 days (or less) from the execution of the agreement to the presentation of candidates. Negotiation with the top candidate will take an additional week or two after finalist interviews. We are prepared to begin this search upon verbal notification to proceed.

A suggested timeline is presented below.

<table>
<thead>
<tr>
<th>Task</th>
<th>Estimated Week of Completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Task 1 - Review Project Management Approach</td>
<td>Week One</td>
</tr>
<tr>
<td>Task 2 - Develop Position Profile and Recruitment Brochure</td>
<td>Week One - Week Two</td>
</tr>
<tr>
<td>Task 3 - Outreach and Recruiting</td>
<td>Week Two - Seven</td>
</tr>
<tr>
<td>Task 4 - Candidate Evaluation</td>
<td>Ongoing Throughout Process (typically more focused during Week Six and Week Seven)</td>
</tr>
<tr>
<td>Task 5 - Search Report</td>
<td>Week Eight - Week Nine</td>
</tr>
<tr>
<td>Task 6 - Selection</td>
<td>Week Nine - Week Ten</td>
</tr>
<tr>
<td>Task 7 - Negotiation</td>
<td>Week Ten - Week Eleven</td>
</tr>
<tr>
<td>Task 8 - Close Out</td>
<td>Week Twelve</td>
</tr>
</tbody>
</table>
Proposed Innovations

The final selection process will vary depending upon the desires of the City. From the City's RFP, it is understood that the City desires an innovative way to assess the candidates and our process will be tailored to the needs of the City.

Candidate Identification and Outreach

Currently, Ralph Andersen & Associates utilizes a number of social networking tools and technologies to enhance and complement our outreach potential. These search tools are typically customized to reflect our unique client needs and are optimized for the specific search we are conducting. We believe our approach goes beyond the normal approach used by most firms and we are continually refining these methods to stay abreast of current trends and best practices in the industry. Throughout this engagement, we will continue to safeguard the confidentiality and integrity of the recruitment and selection process. Our current efforts, although not completely in place, will allow us to pursue the inclusion of "cloud connections" to assist both candidates and clients in a more cost effective method that uses cutting edge technology.

More specifically, these tools include:

- Targeted candidate identification and outreach using our internet contact databases, extensive web searches and data mining (searching for highly skilled individuals resumes).
- Candidate mining and passive candidate sourcing using our recruitment optimized social media dashboards, Google and Yahoo groups, LinkedIn, FaceBook, Twitter, and custom job feeds.
- Extensive marketing and engagement using targeted segmented groups and established relationships with industry specific peers.
- Comprehensive candidate research using LexisNexis, web searches, and social media profile searches.
- Initial screening of candidates using WebEx (Cisco) video and other internet proprietary software.

Candidate Assessment

Ralph Andersen & Associates has various methods to include an assessment or "right fit" with the City of Palo Alto. These assessment tools are tailored specifically to the position and are internet based. Cost for doing these assessments and the contractual agreement will be handled supplemental to this project. Depending on the choice of assessment tools used, Ralph Andersen & Associates may perform the services in-house (provided by members of our team) or outsource to another professional organization that has more depth in the field and this service is a site function of their consulting practice.
Project Staffing

The reputation of the search firm and personal commitment of the recruiters define the difference between the success and failure of any given recruitment. Ralph Andersen & Associates' search professionals are acknowledged leaders in the field and possess a broad range of skills and experience in the areas of local government management, executive search, and related disciplines. Only senior members of Ralph Andersen & Associates are assigned to lead search assignments, ensuring that their broad experience and knowledge of the industry is brought to bear on our clients' behalf.

The City of Palo Alto will have Ms. Heather Renschler as Project Director.

**Ms. Heather Renschler, Project Director** – Ms. Renschler has been with Ralph Andersen & Associates for more than 26 years and is the firm's Chief Executive Officer. Ms. Renschler has overseen the recruitment practice of Ralph Andersen & Associates for the last 14 years and, as a result, is often involved with recruitments on a national scale and those of a highly sensitive and critical nature. She is experienced at working with city councils, boards, staff members, and selection committees in the recruitment and selection process. Her network of contacts and potential candidates is extensive not only within the Western Region but also on a national scale. Prior to joining Ralph Andersen & Associates, Ms. Renschler had private sector experience working with firms in the areas of construction management, health care, and public accounting. Ms. Renschler attended the University of Toledo and majored in Accounting and Journalism. She obtained her Bachelor's degree in Public Administration from the University of San Francisco.

Assisting Ms. Renschler on this engagement will be Mr. Doug Johnson and Mr. William Thomas:

**Mr. Doug Johnson** – Mr. Johnson is a Vice President with Ralph Andersen & Associates and has over 24 years of local government consulting experience. Mr. Johnson has over 11 years of experience with Ralph Andersen & Associates in addition to 13 years as President of Johnson & Associates, a human resources consulting firm. Mr. Johnson participates in all facets of the firm's recruitments and has extensive experience working with elected officials, public executives, staff members, labor organizations, and ad hoc committees. He is the firm's expert in executive compensation and related matters and has served as an expert witness in arbitration/mediation proceedings. Mr. Johnson has a Bachelor's degree in Psychology from California State University, Sacramento.
Mr. William Thomas – Mr. William Thomas (based in Louisville, Kentucky) is a Senior Consultant with Ralph Andersen & Associates. Mr. Thomas has had extensive experience in governmental accounting and auditing and has spent almost 40 years serving local governments and counties in either law enforcement or municipal finance. Prior to joining Ralph Andersen & Associates, Mr. Thomas was appointed the CFO for the Fairbanks North Star Borough in Fairbanks, Alaska in 1997 and served until 1998 when he was appointed the first Finance Director of Malibu, California. In 2000, Mr. Thomas accepted the position of Finance Director for the City of Petaluma, California and finished his California government career as the first Chief Financial Officer of Rancho Cordova (2004 – 2006). In 2007, Mr. Thomas was appointed the Chief Financial Officer of Forsyth County, Georgia. Forsyth County, an urban county of approximately 185,000, is located just north of the Atlanta metropolitan area and in 2008 was the 5th fastest growing county in the U.S. Mr. Thomas retired in April 2010 and relocated to Louisville, Kentucky.

Mr. Thomas holds a Bachelor of Science degree in Criminal Justice from the University of Wisconsin, Milwaukee and a Masters of Science degree in Accountancy from the California State University, Sacramento. Mr. Thomas holds CPA licenses in California, Georgia, and Kentucky (pending), and is a graduate of the FBI National Academy. He recently received certification as a fraud investigator.

Other members of the firm that are available to assist as needed are:

Mr. Robert Burg – Mr. Robert Burg is the Executive Vice President of Ralph Andersen & Associates. As a senior executive, his area of concentration is on executive search and management consulting. Mr. Burg has a total of 32 years of experience in the area of government, and brings those years of experience and judgment to the recruiting process to accurately identify City Auditor executive competencies and qualities for consideration. Mr. Burg has extensive experience with strategic planning and performance improvement systems. He brings those years of experience to the performance assessment and improvement process to create tools for council members, managers, supervisors, and employees to align organizational, departmental, and personal goals and to provide a basis for measurement of employee performance. Mr. Burg has a Bachelor of Arts degree in Economics and a Masters of Business Administration, both from the University of Miami. He has taught business management courses and lectured at several prestigious organizations.

Paraprofessional and support staff will provide administrative support to the Project Team on recruitment assignments. These staff include: Ms. Tiffany Taylor, Ms. Diana Haussmann, and Ms. Teresa Heple.

As requested, an organization chart depicting the project team is provided on the following page.
Ralph Andersen & Associates Project Team
City of Palo Alto
City Auditor Recruitment

Heather Renschler
President/CEO

Paraprofessional & Support Staff

Doug Johnson
Vice President

William Thomas
Senior Consultant

Robert J. Burg
Executive Vice President

(1) Retired Public Sector CFO
Ralph Andersen & Associates has no exceptions or requested changes to the City's RFP conditions, requirements, or sample contract.
The search effort for the new City Auditor will be focused in California and the Western Region. *The fixed fee for professional services to perform this search will be $25,100.*

**Expenses will not exceed $2,000.** As noted in the City's RFP, expenses not included in this fixed fee will include expenses such as travel outside of the San Francisco bay area including transportation and meals, long distance telephone charges, cellular phone service charges, fax transmission, and postage charges.

**Total cost to the City of Palo Alto will be $27,100.**

As requested in the City's RFP, below is a table showing the professional service fees and expenses by task.

<table>
<thead>
<tr>
<th>Tasks</th>
<th>Professional Services Fee*</th>
<th>Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Task 1 – Review Project Management Approach</td>
<td>$1,800</td>
<td></td>
</tr>
<tr>
<td>Task 2 – Develop Position Profile</td>
<td>$2,500</td>
<td></td>
</tr>
<tr>
<td>Task 3 – Outreach and Recruiting</td>
<td>$3,500</td>
<td></td>
</tr>
<tr>
<td>Task 4 – Candidate Evaluation</td>
<td>$5,500</td>
<td></td>
</tr>
<tr>
<td>Task 5 – Search Report</td>
<td>$2,800</td>
<td></td>
</tr>
<tr>
<td>Task 6 – Selection</td>
<td>$3,500</td>
<td></td>
</tr>
<tr>
<td>Task 7 – Negotiation</td>
<td>$500</td>
<td></td>
</tr>
<tr>
<td>Task 8 – Close Out</td>
<td>Included</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$25,100</strong></td>
<td><strong>$2,000</strong></td>
</tr>
</tbody>
</table>

**Brochure** – A full color brochure similar to submitted sample will be developed for the City of Palo Alto. All pictures will be the responsibility of the City.

Ralph Andersen & Associates will bill the City of Palo Alto monthly. Progress payments for professional services and expense reimbursement will be due upon receipt. *The City will be responsible for all candidate expenses related to on-site interviews. No consultant travel for preliminary in-person interviews has been included in this proposal.*
Standard Hourly Billing Rates

Ralph Andersen & Associates' standard hourly billing rates are as follows:

- Project Director $150/hr.
- Executive Manager $125/hr.
- Senior Consultant $110/hr.
- Consultant $80/hr.
- Graphics Designer $75/hr.
- Researcher $60/hr.
- Support Services $50/hr.

Ralph Andersen & Associates’ Guarantee

Ralph Andersen & Associates offers the industry-standard guarantee on our search services. If within a one-year period after appointment the City Auditor resigns or is dismissed for cause, we will conduct another search free of all charges for professional services. The City of Palo Alto would be expected to pay for the reimbursement of all incurred costs.
Philadelphia Housing Authority
Building Beyond Expectations

Director of Audit and Compliance
The Opportunity

The Philadelphia Housing Authority (PHA) is conducting a national search for the position of Director of Audit and Compliance. This is an extraordinary career opportunity to join one of the most creative and innovative housing authorities in the United States. Now in its 74th year of service, PHA provides rental subsidies and develops affordable housing for low income families, seniors, and persons with disabilities living in the City of Philadelphia. Ideal candidates will be highly skilled professionals with a proven track record of audit and compliance experience, preferably in the affordable housing industry.

About Philadelphia

The City of Philadelphia is the largest city in Pennsylvania and the sixth most-populous city in the United States, with approximately 5.8 million people living in the Greater Philadelphia metropolitan area. Philadelphia is a dynamic place where big city excitement meets hometown charm. Famous as the birthplace of life, liberty, and the pursuit of happiness, the cradle of liberty offers much more than cobblestone streets and historical landmarks. Culinary, artistic, and ethnic treasures abound in this city and its surrounding countryside. Even with all the excitement of big city life, Philadelphia’s diverse neighborhoods give the city a quaint, hometown feel.

“Philly” is well known as a thriving metropolitan area. Many prominent companies like Glaxo Smith Kline, Sunoco, Comcast, and CIGNA are based here. Philadelphia is a sports-crazy city. It is one of the few cities in the United States with four major sport franchises. Philadelphia is the home of the NFL’s Eagles, MLB’s Phillies, the NBA’s 76ers, and the NHL’s Flyers, each of which have won world championships.

Ben Franklin founded the University of Pennsylvania in 1740 and Pennsylvania Hospital in 1751, introducing a focus on higher education and medicine that persists today. Currently, Philadelphia has the second largest student concentration on the East Coast and is one of the largest college towns in the country, brimming with top-quality institutions, resources, and culture. There are over 80 colleges and universities, and trade and specialty schools in the Philadelphia region, including five prestigious schools of medicine.

The City of Brotherly Love is where national landmarks and cultural hot spots come together to create a vibrant tapestry of art, history, nightlife, food, and music. It has something for everyone and offers its own distinct pride and character. Its high quality of life makes Philadelphia a wonderful place to live, work, and play.

The Organization

The Philadelphia Housing Authority, also known as PHA, is the largest landlord in Pennsylvania. Its mission is to improve the lives of low income families, persons with disabilities, and seniors by providing affordable, high quality housing. PHA was established in 1937 and is the nation’s fourth largest housing authority. Funding comes primarily from the federal government, and PHA also works in partnership with the city and state governments as well as private investors. With a staff of approximately 1,406 employees and a budget of $371 million, PHA provides residences to 81,000 people. It is the policy of PHA to serve customers without regard to race, color, religion, national origin, ancestry, age, sex, sexual orientation, medical condition, physical handicap, or disability. PHA is one of a very select group of organizations across the nation qualifying for the Moving to Work Program (MTW). This designation allows housing agencies to design and test innovative housing strategies that assist lower income families living in public housing. The MTW program gives housing authorities the opportunity to locally develop housing and self-sufficiency strategies for low income families participating in the U.S. Department of Housing and Urban Development’s (HUD) public housing and Housing Choice Voucher (HCV) programs.

The Position

The Director of Audit and Compliance is an at-will executive position reporting to the HUD appointed Administrative Receiver, Mr. Michael Kelly. The Office of Audit and Compliance (OAC) is a monitoring, evaluation, and compliance function within the Philadelphia Housing Authority. The new Director of the OAC will serve as a resource to the Board of Commissioners (upon reinstatement), Administrative Receiver, and management to ensure the effective and efficient discharge of their responsibilities within the strict framework of compliance with all relevant policies, procedures, laws, and regulations required by federal, state, local, and internal authorities.

Through independent assessments, the successful Director will identify instances of fraud, waste, and abuse; determine the accuracy and reliability of financial and operating information; identify risks; and determine whether resources are used efficiently and economically. Additionally, the Director of Audit and Compliance will ensure the integrity and efficiency of the operation of the Philadelphia Housing Authority and will oversee and supervise all corrective action plans towards a timely and successful implementation.
Specific responsibilities of the Director of Audit and Compliance include:

- Plans, directs, and coordinates the internal audit of the Authority's programs and activities and the Authority's compliance responsibilities to State and Federal regulatory requirements; provides advisory services as it pertains to the audit function; establishes policies and procedures for auditing and compliance activities;

- Maintains all regulations and requirements governing the Authority's programs and examines the effectiveness of all levels of management as it pertains to stewardship of the organization's resources and its compliance with federal, state, local, and internal policies and procedures;

- Prioritizes internal audit activities with the goal of reducing risk, increasing efficiency in controls, and economy and effectiveness in operations; administering periodic tests to appropriate systems to ensure efficiency, integrity, and compliance;

- Works collaboratively with HUD's Office of the Inspector General, as may be required, and monitors findings of HUD and other audits, including code violations, citations, and other official findings of non-compliance and then coordinates the Authority's corrective action tasks and timetable to effect a timely resolution;

- Performs operational and programmatic reviews to determine consistency with established goals, objectives, and requirements of the organization;

- Consistently evaluates the reliability and integrity of financial and operating information and the methods used in identifying, measuring, classifying and reporting of information;

- Provides oversight and direction on the conduct of both criminal and administrative investigations involving allegations of impropriety, fraud, waste, abuse, and other criminal activities;

- Conducts special examinations at the request of the Board of Commissioners, Administrative Receiver, or management, including the reviews of representations made by persons outside the Authority; and

- Confers regularly with appropriate officials at HUD to keep abreast of new or revised policies, procedures, and special priority matters, and coordinates audit efforts between internal and external audit tasks; additionally serving as the liaison for the Authority with the external independent auditors on the conduct of the Authority's annual audits.

The Ideal Candidate

The Philadelphia Housing Authority is seeking a proactive, entrepreneurial, and dedicated individual to lead the OAC. Uncompromising ethics and the highest level of integrity are essential to a candidate's success in this recruitment. The ideal candidate will be a champion and advocate of the mission of the Office and display a strong passion for the efficient and effective discharge of their designated responsibilities. The new Director of Audit and Compliance will have a willingness to make a long-term commitment to PHA. A high degree of political sensitivity is needed. The ideal candidate will be a strong advocate for a teamwork environment where feedback and suggestions are welcomed. A solid leader is needed who is able to identify and utilize each employee's individual strengths, while mentoring and encouraging staff development. The selected candidate will be expected to quickly build strong working relationships with a wide array of constituents internal and external to PHA.

The ideal candidate will possess the following characteristics and abilities:

- Model the highest standards of honesty and integrity;

- Comprehensive knowledge of policies, procedures, goals, objectives, operational entities, requirements, and activities as they apply to the organization;

- Expertise in audit, financial, and operational analysis and modeling, asset management, assessment, and risk evaluation;
Expertise and experience in the application of related policies, procedures, methods, and auditing techniques to management and operations;

Expertise and experience in the application and interpretation of generally accepted accounting principles, concepts, and theories, and the application of applicable laws, rules, regulations, and established policies;

Expertise in HUD, federal, state, and local laws, regulations, rules, and programs affecting housing operations and financial management programs;

Advanced audit and financial analytic ability, including the ability to solve complex problems where only limited standardization exists;

Ability to read and interpret a variety of instructions furnished in written, oral, diagram, or schedule form and prepare concise and accurate analysis for compliance determination and executive level decision-making;

Ability to speak and present information effectively to top management, public groups, and/or the Board of Commissioners;

Make sound and well-informed decisions affecting multiple stakeholders; and

Commit to action when dealing with pressure and ambiguity of complex, controversial issues and situations.

Education and Experience

Education – Bachelor’s degree from an accredited college or university with major course work in Business Administration, Accounting, Finance, or other business related fields. Master’s degree and/or Certified Public Accountant (CPA) preferred.

Experience – This position requires a minimum of seven (7) years of audit and compliance management experience, preferably in the affordable housing industry. All highly qualified executives are strongly encouraged to submit qualifications for consideration. Final selection of top tier candidates will be based on the combination of education and experience that best fits PHA needs.

The Compensation

The salary for the Director of Audit and Compliance is dependent upon qualifications (DOQ) and will be based upon the selected candidate's experience and salary history. PHA will provide a competitive salary and an excellent benefits package. Moving and relocation expenses may be included in the employment offer. Further details are available through the recruiting firm of Ralph Andersen & Associates.

To Be Considered

Interested candidates are encouraged to submit early in the process via email to apply@ralphandersen.com. Review of resumes will begin upon submittal of completed information. The position is open until filled with a first review date of Friday, May 20, 2011.

Candidates are required to submit the following:

- Cover letter;
- Resume; and
- Salary history.

This is a confidential process and references will not be contacted until mutual interest has been established. Finalist interviews will take place in early June. The new Director of Audit and Compliance is expected to join PHA in July or at a mutually agreeable date.

If you have questions or would like to discuss the opportunity further, please call Mr. Robert Burg or Ms. Heather Renschler at (916) 630-4900. Confidential inquiries welcomed.

The Philadelphia Housing Authority is an equal opportunity employer.