

REPORT

DATE ISSUED: January 8, 2008 REPORT NO: HCR 08-02

ATTENTION: Chair and Members of the Housing Commission
For the Agenda of January 10, 2008

SUBJECT: Award of Contract for Executive Search for President & CEO

REQUESTED ACTION:

Select Roberts Consulting Group, Inc. to conduct a nationwide executive search for a new President & Chief Executive Officer of the San Diego Housing Commission. The firm would conduct a national search and recommend finalists for consideration by the appointed Selection Committee.

STAFF RECOMMENDATION:

Authorize staff to negotiate and execute a contract for executive search services with Roberts Consulting Group, Inc., in consultation with the Chair and General Counsel.

BACKGROUND:

The Current President & Chief Executive Officer of the San Diego Housing Commission has held this position for over 13 years and will be retiring on January 15, 2008. The position also serves as Executive Director of the Housing Authority of the City of San Diego, and is under contract with the Authority.

City Council President Scott Peters, who also serves as Chair of the Housing Authority, is guiding the process of selecting a new Executive Director/President & CEO. He has put forward a two step process to: 1) assess the future direction of the agency and skills of an executive who could lead it, and 2) conduct an nationwide recruitment based upon this assessment to search for such an executive. President Peters is also creating a Selection Committee comprised of members of the City Council, Housing Commission Board and a representative from the Mayor's Office.


Council President Peters requested that the Housing Commission engage an executive search firm to assist in selecting the next Executive Director/President & CEO. As provided under current procurement regulations, a solicitation was conducted to select the best qualified firm. Requests for Proposals were sent to five firms requesting a description of their basic approach and cost for these services. Responses were received from two firms, including Roberts Consulting Group, Inc., which was selected as the most qualified firm.

The selected firm is expected to meet with the Selection Committee to review the needs assessment and receive direction from them. The firm will work with the Committee to interview candidates and finalize a recommendation to the Housing Authority which would make the final decision.


FISCAL CONSIDERATIONS:

The projected cost for Roberts Consulting Group, Inc's services will be approximately \$35,000. Funds are available in the current approved FY08 Housing Commission budget to accommodate this expenditure.

Respectfully submitted,


C. Terry Whitesides
Director of Business Services

Approved by,


Elizabeth C. Morris
President & Chief Executive Officer

Attachments: Roberts Consulting Group, Inc. proposal

Distribution of these attachments may be limited. Copies available for review during business hours at the Housing Commission offices at 1122 Broadway, Main Lobby.

December 28, 2007

CONFIDENTIAL

Members of the Board of Commissioners
c/o Mr. C. Terry Whitesides
Director of Business Services
San Diego Housing Commission
1122 Broadway, Suite 300
San Diego, CA 92101

Dear Members of the Board of Commissioners:

As requested, ROBERTS CONSULTING GROUP, INC. is pleased to submit this proposal to assist the San Diego Housing Commission in recruiting and screening candidates for the position of President & CEO. In this proposal we outline our general understanding of your requirements and present the process we propose to conduct this recruitment. It is a process we have successfully utilized for more than 20 years. However, if you desire some modification, we would be pleased to discuss this with you.

WHY ROBERTS CONSULTING GROUP?

The primary objective of ROBERTS CONSULTING GROUP, INC. is to provide our clients with unsurpassed excellence in executive recruitment. Accepting only a limited number of recruitments, we are able to provide senior level, hands on service of the highest quality. From ascertaining our client's needs, to identifying and recruiting qualified candidates, and extensively verifying background information, the work is conducted by senior level consultants with numerous years of experience and judgment. We are also skilled in negotiating final offers, increasing the likelihood of successfully hiring the desired candidate.

Norm Roberts will be the on-site person responsible for this recruitment. He pioneered the field of public sector recruitment more than 30 years ago. During his career, he has managed/conducted in excess of 3,000 senior level recruitments. I have over 20 years of executive recruitment experience, having co-founded and managed *Norman Roberts & Associates, Inc.*, then the largest search firm in the U.S. specializing in public sector recruitment. The majority of our clients have hired us on numerous occasions, including one California county having hired us more than 40 separate times.

Norm Roberts has conducted many recruitments for senior level housing executives. For example, while with previous employers he managed/conducted recruitments for the Executive Director for the Housing Authority of the City of Los Angeles (as well as two other senior level executives), the Executive Director for the National Association of Housing and Redevelopment Officials, the Executive Director (Los Angeles Affiliate) for Habitat for Humanity and the Executive Director for SRO Housing in Los Angeles. In addition, we are very familiar with the San Diego area from numerous recruitments conducted there. Our firm has conducted two recruitments for San Diego County, two recruitments for the City of San Diego and three recruitments for San Diego State University (two are currently in process). This is in addition to many others done previously for public agencies in the San Diego area.

We believe the primary advantages in utilizing our firm, and what may differentiate us from others, include our:

- Extensive and unequalled experience recruiting chief executives for the largest public agencies in the country.
- Proactive recruitment of candidates who may not be seeking new positions and would not normally respond to routine advertising, or who may come from non-traditional sources.
- Familiarity with the San Diego area from many recruitments conducted there.
- Track record of success in placing senior level executives in particularly sensitive and highly responsible/accountable positions.
- Quality of our work—indicative of this is the fact that, over the years, most of our clients have utilized our services on more than one occasion, and many have hired us numerous times.
- Proven ability to identify and recommend qualified female and minority candidates.
- Ability to conduct a recruitment in a timely and complete manner.
- Thoroughness in conducting reference and background checks—we are very specific in the reference names we request from candidates.

STATEMENT OF WORK

Our objective is to find the best qualified candidates for our clients. While notices in professional journals may be helpful, many of the best candidates must be sought out and their interest encouraged. Our knowledge of the field and our relationships with professional organizations make us well qualified to assist you. Our clients have found that we are able to: 1) build consensus among those involved in the hiring process; 2) develop the appropriate specifications for a position; 3) encourage the interest of top-level people who would otherwise be reluctant to respond to an advertisement; 4) preserve the confidentiality of inquiries, consistent with State public disclosure and open meeting laws; 5) save a considerable amount of time for client staff in developing and responding to candidates; and 6) independently and objectively assess the qualifications and suitability of candidates for the particular position for which we are recruiting.

If selected to conduct this recruitment, we will do the following:

Information Gathering and Analysis

We will meet with Members of the Board and other appropriate individuals to obtain views of the position and expectations regarding desirable training, experience and personal characteristics of candidates. We will also gather/review relevant information about the Housing Commission and the position. After summarizing our findings, we will submit a draft Recruitment Brochure with the desired qualifications and characteristics for your approval. The Recruitment Brochure that will be sent to potential candidates will include information about the Housing Commission, the job and the criteria established by you.

Candidate Recruitment/Outreach

Once you have approved the Recruitment Brochure, we will proactively seek out individuals with superior qualifications and invite and encourage their interest. Announcements will be placed on-line and in professional journals. However, we will rely heavily on our own experience and

contacts. We will outreach to underrepresented groups to insure as diverse a group of candidates as possible. We will not discriminate against any applicant for employment on the basis of race, religion, creed, age, color, marital status, sex, sexual preference, disabilities, medical condition, veteran status or national origin. A substantial percentage of the placements made by us over the years have been minority and/or female candidates.

Initial Screening

We will review, acknowledge and evaluate all resumes received. Initial screening will be based upon criteria contained in the Recruitment Brochure, information contained in the resumes submitted to us, and our knowledge of the people and organizations in which they work. Telephone screening will be conducted with the most promising candidates to gain a better understanding of their backgrounds.

Interim Reporting

Upon completion of our initial screening, we will assemble and submit a report of the leading candidates. This report will include summary resumes, supplemental information, and the original resumes of those candidates we believe to be best qualified for the position. Supplemental information on a candidate typically includes: the size of the organization for which the person works, reporting relationships, budget responsibility, the number of people supervised, related experience and reasons for interest in the position. Any other specific information will be dictated by the criteria set forth in the Recruitment Brochure.

The purpose of our interim report is to allow our client an opportunity to review the candidates prior to the conclusion of the search, and it allows us to receive feedback on the caliber of the candidates recruited. In this way, you will not be surprised by the candidates, as you will have seen their qualifications prior to the final interviews. Of course, we are flexible and may consider other individuals as final candidates who are subsequently identified and were not included in the interim report.

Candidate Assessment

We will interview (either in person or via video-conference) those candidates whose qualifications most closely match the criteria established by you. We will examine their qualifications and achievements in view of the selection criteria. Additionally, we will verify degrees and certifications and gather newspaper articles via the Internet.

As part of our process in evaluating candidates, we make telephone reference checks. In conducting these references, it is our practice to speak directly with individuals who are, or have been, in a position to evaluate the candidate's performance on the job. These references and our evaluations provide you with a frank, objective appraisal of the candidates. We will conduct preliminary references on candidates to be interviewed, and will finalize these for the top one or two candidates.

Client Interviewing

We will assist you in scheduling final candidates for interview with your organization, and will send the candidates packets of information which we obtain from you (e.g., information about the organization and the geographic area, budgets, etc.). We will prepare a brief written report for those candidates most nearly meeting your specifications, and will provide you with interviewing/selection tips, suggested interview questions, and rating forms for your use.

Candidates will not be ranked, for we believe it will then be a matter of chemistry between you and the candidates. We will conduct a “briefing session” immediately preceding your interviews to make sure that the process flows smoothly, and will assist you in a “debriefing” immediately following the interviews. Once we finalize references on the top one or two candidates, and conduct credit/criminal/civil litigation/motor vehicle record checks through an outside service, we will provide you with a detailed, supplemental written report.

Additional Consultant Assistance

Our efforts do not conclude with the presentation of the final report. We are committed to you until a successful placement is made. Services that are routinely provided include: 1) arranging the schedule of interviews and the associated logistics for final candidates; 2) advising on starting salary, fringe benefits, relocation trends and employment packages; 3) acting as a liaison between client and candidate in discussing offers and counter offers; 4) conducting a final round of reference checking with current employers (if not previously done for reasons of confidentiality); 5) notifying unsuccessful candidates, who were not recommended for interview, of the decision.

THE CLIENT’S ROLE

We work in partnership with our clients in conducting a search. While we may identify and recommend qualified candidates, it is the client who must make the decision about which candidate(s) to hire. In order to insure that the best candidates are available from which to choose, our clients should be willing to do the following: 1) clearly inform us about matters relevant to the search that you wish to keep confidential (e.g., salary, personnel issues, and other privileged information); 2) supply us with the names of people you have previously interviewed/considered for this position; 3) forward to us copies of the resumes you receive, to avoid duplication of effort; 4) provide feedback regarding the information and recommendations provided by us; 5) promptly decide upon and follow up in scheduling interviews with the most promising candidates; and 6) assist in providing information to candidates that will enable them to make their career decisions.

By doing the above, we will maximize the likelihood of mutual success. Finally, please be reminded that the United States Immigration Reform and Control Act of 1986 requires that all employers verify an employee's eligibility to work in the United States. Since we cannot serve as your agent in this matter, your hiring process should include this verification procedure.

PROPOSED TIME SCHEDULE

The following is a typical schedule to conduct a thorough recruitment. However, we would be pleased to modify this to meet your needs:

Weeks 1 to 4	Meet with Members of the Board and other appropriate individuals to gather background information. Develop and obtain approval for the Recruitment Brochure. Develop a list of potential candidates to target. Prepare and place advertisements.
Weeks 5 to 8	Proactive recruitment—solicit, receive and acknowledge resumes.
Week 9	Evaluate resumes and gather supplemental information.
Week 10	Submit interim report and meet with you to review leading candidates.
Weeks 11 and 12	Verify degrees and certifications, conduct preliminary references and interview the best qualified candidates.

Week 13 Submit report on final candidates and initiate the interview process with you.

Following Interviews Finalize references, conduct credit/criminal/civil litigation/motor vehicle record checks, and assist with negotiations.

FEES AND EXPENSES

We propose a total fixed fee of \$33,000 for this recruitment, which includes our firm's expenses. Our budget provides for three meetings with the client: 1) to develop the Recruitment Brochure; 2) to present the Interim Report; and 3) to attend interviews of final candidates. Please note that our budget does not include reimbursement of candidates who travel to be interviewed by you. Unless you notify us to the contrary, we will assume that you will handle these reimbursements directly. We will submit three equal invoices for fees, due and payable within 30 days. Our first billing will be upon submission of the draft Recruitment Brochure, the second at the deadline for receipt of resumes, and the third upon presentation of our report on the day of interviews.

Though we are committed to working with you until a placement is made, our fees are not contingent upon our success in placing a candidate with your organization. However, if the selected candidate (if recommended by us for hire, and other than an internal candidate) should resign or be terminated within one year from the date of hire, we will redo the search for no additional professional fee. We would, however, expect to be reimbursed for any expenses that might be incurred. And, in the event that more than one executive is hired in connection with work performed by us (i.e., for another position within your organization), a negotiated fee will be due for each executive hired.

You may discontinue an assignment at any time by written notification. In the unlikely event that this occurs, you will be billed for fees based upon the time elapsed from the commencement of the assignment to the date of cancellation. If a cancellation occurs within the first 30 days of the assignment, following either verbal or written authorization to proceed, one-third of the professional fee will be due. If a cancellation occurs thereafter, the fee beyond the first one-third will be prorated based upon the number of calendar days which have elapsed. If a cancellation occurs after 90 days, all professional fees will be due in full.

Our ability to carry out the work required is heavily dependent on our past experience in providing similar services to others, and we expect to continue such work in the future. We will, however, preserve the confidential nature of any information received from you or developed during the work in accordance with our established professional standards. We assure you that we will devote our best efforts to carrying out the work required. The results obtained, our recommendations and any written material we provide will be our best judgment based on the information available to us and our liability, if any, shall not be greater than the amount paid to us for the services rendered.

We look forward with great interest to working with you on this very important assignment.

Sincerely,

Valerie S. Roberts

President

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