

MIAMI BEACH

City of Miami Beach, 1700 Convention Center Drive, Miami Beach, Florida 33139, www.miamibeachfl.gov

COMMISSION MEMORANDUM

TO: Mayor Dan Gelber and Members of the City Commission

FROM: Raul J. Aguila, City Attorney
Rafael E. Granado, City Clerk
Alex Denis, Procurement Director

DATE: November 18, 2020

SUBJECT: **REQUEST FOR LETTERS OF INTEREST (RFLI) No. 2020-036-KB, FOR EXECUTIVE RECRUITMENT SERVICES TO ASSIST WITH THE SELECTION OF THE CITY'S NEXT CITY MANAGER**

Background

The City Commission, at its October 14, 2020 meeting, directed City staff to initiate an expedited process to seek Letters of Interest from top executive recruitment/search firms to assist with the selection of the City's next City Manager. Request for Letters of Interest (RFLI 2021-036 KB) was prepared and sent on October 15, 2020 to 61 top firms for their consideration. On October 16, 2020, LTC No. 365-2020 was issued, which included the RFLI (See Exhibit A). The RFLI incorporates the Mayor and City Commission's comments from the October 14, 2020 City Commission meeting.

On October 23, 2020, proposals were received from eight firms. The City Attorney, City Clerk, and Procurement Director reviewed the responses received and, based on direct city manager/public sector chief executive officer search/recruitment experience with local government or world-class municipalities most similar to the City of Miami Beach, recommended that the following two firms be shortlisted in the following ranked order for further consideration by the City Commission:

- 1st Ranked - Colin Baenziger & Associates
- 2nd Ranked - Ralph Andersen & Associates

Further, based on the City's Human Resources Director's direct experience with the following two firms, as well as each firm's Florida experience, the following two firms were also recommended to be shortlisted for further consideration by the City Commission.

- 3rd ranked (tied) - The Mercer Group
- 3rd ranked (tied) - Slavin Management Consultant¹

On October 28, 2020, Colin Baenziger & Associates, Ralph Andersen & Associates, and The Mercer Group gave brief presentations to the City Commission. Following the presentations, and a question-and-answer session with representatives from each firm, the City Commission shortlisted Colin Baenziger & Associates and Ralph Andersen & Associates, and directed the City Attorney, City Clerk, and Procurement Director to contact five prior clients of each firm, and five candidates placed by each firm.

¹ Slavin Management Consultant later withdrew from consideration.

Analysis

Since the October 28, 2020 City Commission meeting, the City Attorney, City Clerk, and Procurement Director have conducted independent research on both shortlisted firms. This includes internet and newspaper research, as well as individual discussions with prior clients of each firm and candidates who were placed by each firm.

The following report summarizes the research of the City Attorney, City Clerk, and Procurement Director:

1. Ralph Andersen & Associates

This following summary incorporates feedback provided by three prior clients of Ralph Andersen & Associates (“Ralph Andersen”) – the cities of Charlotte, NC; Carmel-by-the-Sea, CA; and Delray Beach, FL. Representatives of Beverly Hills, CA, and Laguna Niguel, CA, were also contacted but were not available.

The representatives contacted expressed great satisfaction with services provided by Ralph Andersen to their agencies. Perhaps the best gauge of their satisfaction is that the agencies hired Ralph Andersen on multiple occasions and indicated a willingness to do so again in the future. Feedback from client representatives contacted includes the following:

- Ralph Andersen will prepare a very detailed recruitment package; clearly outline a process and timeline; and appropriately seek client input.
- Mr. Robert Burg, the Sarasota-based Executive Vice President of the firm, is always accessible to the client.
- Written materials are professionally prepared and effectively market the client city to top talent.
- Clients indicated that all candidates identified by Ralph Andersen were thoroughly vetted and none warranted further investigation due to unforeseen background issues.
- Even though Ralph Andersen’s fees are higher than its competitors’ fees, the firm provides excellent value for the level of service provided.
- The firm treats all candidates—both external and internal—with respect and consideration for their time and effort.

The following comments were provided by candidates placed by Ralph Andersen:

- Two of the candidates contacted were previously placed by Ralph Andersen. Both individuals gave high marks to Ralph Andersen and spoke positively about the process.
- One candidate, who had been previously recruited by Ralph Andersen for a different position, expressed satisfaction with the firm’s professionalism and responsiveness. Each time, the process was easy to navigate, and candidates were kept up to date. Ralph Andersen contacted all of the candidate’s references and tailored its questions to each reference.

Staff’s independent research on Ralph Andersen did not yield any negative references. However, recently, the City of Savannah, Georgia, which had retained Ralph Andersen to recruit its city manager position, placed its search on hold after the City Council could not reach agreement on whether to appoint any of the three finalists.

Based on the above, Ralph Andersen is known to attract talented and qualified candidates; tailor each recruitment to each particular client; and conduct thorough background investigations including contacting references.

2. Colin Baenziger & Associates

This following summary incorporates comments provided by four prior clients of Colin Baenziger & Associates (“Colin Baenziger”) – Aventura, FL; Key Biscayne, FL; Cape Coral, FL; and Coral Gables, FL.

Some of the client representatives expressed satisfaction with the services provided by Colin Baenziger. Others, however, identified deficiencies in Colin Baenziger’s recruitments.

- Colin Baenziger handles its assignments professionally, and completed its recruitments on schedule.
- Candidates recruited by Colin Baenziger were qualified for each position.
- The process performed by Colin Baenziger “was flawless”; marketing materials were impressive; and the firm was expeditious and supportive without unduly interfering in client decisions.
- Colin Baenziger performed generic background searches of initial applicants, followed by more extensive background searches on shortlisted candidates.
- The cost of services was reasonable considering the time and effort dedicated to the recruitment.

The following potential deficiencies in prior recruitments were identified:

- One client expressed that the process and questions Colin Baenziger used to vet candidates seemed outdated, did not address current issues, and were not specific to the client city.
- Traditional background searches were conducted; however, more attention should be given to candidates’ digital presence.
- One client recommended that Colin Baenziger contact candidates more proactively, rather than wait for candidates to contact them.
- When a candidate placed by Colin Baenziger left after a short time, the client city decided not to reengage the firm to recruit a new candidate.
- One city selected a candidate to serve as city manager, but the candidate abruptly withdrew prior to negotiating an employment contract. After selecting the candidate, the city learned that the candidate had filed for bankruptcy at least once, and had previously been charged with a crime. The client was forced to conduct a new search for a city manager, for which they did not use Colin Baenziger. The incident resulted in embarrassment to the city. The firm stated that it had conducted a thorough background check, and that it “rel[ie]d] on convictions, not dropped allegations.”
- In another instance, a candidate failed to disclose that a previous employer had terminated the candidate’s employment, and Colin Baenziger had failed to uncover the termination.

The following feedback was provided by candidates recruited by Colin Baenziger:

- One candidate noted that the firm's background investigation was thorough, and the firm contacted employers beyond the list of employers listed by the candidate.
- Two candidates were impressed by Colin Baenziger's ability to attract other qualified candidates. Both candidates expressed satisfaction with Colin Baenziger's process.
- During a recent search, confusion arose with regard to scheduling of in-person meetings, but this was more likely due to the fact the search was conducted during the COVID-19 pandemic, while in-person meetings have been discouraged.

Staff's independent research also yielded the following information:

- Colin Baenziger recruited (and later listed as a finalist) a former city manager with two felony charges related to voter fraud, and a history of "conflict with city staff that resulted in high turnover of department directors."
- In another recruitment, Colin Baenziger withdrew prior to completing the search. The firm claimed there was a "difference of opinion on how the search would proceed"; however, online news articles suggest that the firm and the client disagreed over whether to include an internal candidate as a finalist.

Colin Baenziger has a reputation for conducting recruitments professionally and identifying qualified candidates. However, our research identified instances where oversights during the recruitment process resulted in undesired outcomes. Additionally, one reference indicated that the firm and the client disagreed over whether to include an internal candidate, which is of particular concern given that the City Commission has expressed a desire to give qualified internal candidates equal consideration.

Conclusion

Both Ralph Andersen and Colin Baenziger are qualified firms. However, interviews with past clients of Colin Baenziger raised concerns with the firm's failure to conduct sufficiently thorough background investigations of candidates, such that material issues—both personal and professional—were not uncovered. Such failures are said to have caused delay and embarrassment to clients. Despite Colin Baenziger's significant experience, the deficiencies noted above are concerning.

Ralph Andersen stands apart in its demonstrated ability to attract qualified candidates, investigate each candidate's background diligently, and—perhaps most importantly—to tailor its search to the needs of a dynamic and vibrant city like Miami Beach. Of the three firms that presented to the City Commission, Ralph Andersen appears best suited to recruit our next City Manager.

Based on the above, it is our unanimous recommendation that the City Commission authorize the City Attorney, City Clerk, and Procurement Director to negotiate and draft an agreement with Ralph Andersen to recruit the City's next City Manager.