



Berkeley Housing Authority

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Office of the Executive Director

Item 7B
NEW BUSINESS
June 9, 2022

To: Honorable Chairperson and Members of the Housing Authority Commission
From: Rachel Gonzales-Levine, Acting Executive Director
Subject: Approval of Contract with The Organizational Leadership Edge for Executive Director Recruitment

Background

On May 13 staff reached out to four executive search firms to submit a quote for Executive Director recruitment. The four firms were: Bob Murray Associates; Gans, Gans & Associates; The Organizational Leadership Edge/Stan Quy; and Ralph Andersen & Associates. Of these, BHA received responses and quotes from The Organizational Leadership Edge/Stan Quy, and Gans, Gans & Associates. We also received a decline to submit notification from Ralph Andersen, citing current client commitments and recent contract awards. No response was received from Bob Murray Associates.

Of the two quotes received, Gans, Gans & Associates costing mechanism is 27% of the first year salary, plus any travel. Should the Board hire an Executive Director at the current maximum executive salary allowable by HUD, the cost for this contract would be \$47,601.

The Organizational Leadership Edge/Stan Quy has a differing costing mechanism: flat fee of \$17,850, and no charges for travel. Stan Quy and his firm are working locally with the Monterrey County Housing Authority to hire an Exec. Director and Chief Financial Officer; and with the Livermore Housing Authority to hire an ED. Mr. Quy had a long and distinguished career in the housing field, including at HUD, as the Field Office Director for the Nebraska HUD Office and Acting Regional Director for the Kansas City HUD Regional Office. He serves as faculty member of NAHRO's Professional Development Division, and his firm has conducted executive searches for 48 housing authorities nationally.

Next Steps

Should the Board approve BHA entering into contract with The Organizational Leadership Edge, staff will arrange a kick off meeting with the Subcommittee on Hiring (Vice Chair Levine and Commissioner Rossi).

Fiscal Impacts

The cost of \$17,850 can be covered by the savings in the salary line.

Attachment:

1. Resolution
2. Scope of Services, Timeline, Costing from proposal submitted by The Organizational Leadership Edge

BERKELEY HOUSING AUTHORITY
RESOLUTION NO. 22-__

AUTHORIZING THE ACTING EXECUTIVE DIRECTOR TO ENTER INTO CONTRACT WITH THE ORGANIZATIONAL LEADERSHIP EDGE FOR EXECUTIVE DIRECTOR RECRUITMENT IN THE AMOUNT OF \$17,850

WHEREAS, BHA is seeking an executive search firm to conduct Executive Director recruitment; and

WHEREAS, BHA staff solicited quotes from four executive recruitment firms; and

WHEREAS, three firms responded, with two submitting quotes and one firm stating it was declining to submit a quote due to other commitments; and

WHEREAS, the Organizational Leadership Edge/Stan Quy submitted a proposal for recruitment with the most competitive bid at \$17,850; and

WHEREAS, the Organizational Leadership Edge/Stan Quy has successfully conducted executive searches for 48 housing authorities nation-wide;

NOW THEREFORE, BE IT RESOLVED that the Acting Executive Director is authorized to enter into contract with the Organizational Leadership Edge/Stan Quy for Executive Director recruitment, in the amount of \$17,850.

The foregoing Resolution was adopted by the Board of the Berkeley Housing Authority on June 9, 2022 by the following vote:

Ayes:

Noes:

Absent:

Attest: _____
Rachel Gonzales-Levine, Secretary

SCOPE OF SERVICES

The executive search and selection work outlined below provides for a high degree of structure, transparency, and timeline accountability. The process allows for a well-defined, logical structure that goes well beyond the standard recruitment services and limited or non-existent on-site presence that is the standard operating procedure for many recruiting firms. These added services and on-site presence have been a major factor in the outstanding success rate of TOLE in hiring executive directors for housing authorities. The services outlined below includes some work that goes beyond the services required in the RFP. These additional or expanded tasks are noted below. TOLE will certainly modify any of these tasks to best meet the needs and budgets of the housing authority. The Board will have full ownership and authority over the recruitment and selection process. At all levels of work, and for all technical documents, the Board will be provided transparency and will be given the opportunity to review and amend documents.

LEVEL 1: PLANNING FOR THE SEARCH AND SELECTION PROCESS

Task 1 Services: Conferencing on the Scope of Services

A Zoom conference call will be scheduled with the Board or a Board Recruitment Committee to finalize the structure, framework, and timelines for moving forward with the executive search and selection process. Conference calls would be continued with the Board or its Committee at intervals desired by your agency. Timelines for reporting to the Board with updates will be set during this call. The draft timelines for the completion of each of the five levels of services outlined below were provided in an earlier Excel spreadsheet.

Task 2 Services: (Additional Task) Interviewing the Board and Executive Director

TOLE will conduct individual interviews with Board members to better understand your insights and perspectives on the future of the agency and what you will need in your next Executive Director to achieve your vision, mission, goals and values. This will include perspectives on key roles, responsibilities, qualifications, and experience. These interviews will be conducted remotely and the survey results will be summarized for discussion at the first site visit. A summary of these perspectives will be prepared and disseminated at the first site visit.

Task 3 Services: (Additional Task) Affirming the Vision, Mission, Values, and Goals

TOLE proposes to launch the first visit with a brief discussion with the Board on its current vision, mission, and strategic goals for the agency. It is recognized that the agency is currently wrapping its strategic plan and that there may be preliminary new goals and outcomes that Board desires to share. This early emphasis on strategic planning is critical to affirming the Board consensus on the (1) vision of the sense of direction on where we are going and why, (2) mission of who we are, what do we do, and why we are here, (3) values that define our core beliefs and principles, and (4) goals to advance the vision and mission. This initial discussion will provide the consultant with great clarity on the agency vision, the roadmap to accomplishment, and the talents and credentials needed to make it happen.

The value of this initial strategic planning collaboration is to provide excellent points of reference for the Board and consultant as the team begins to consider the Ideal Candidate Profile of a new Executive Director to lead and manage the agency vision, mission, values, and goals. In the absence of such consensus, seven different Board members may have seven different ideas as to what the agency needs in its new leader and manager. If this is not addressed early on, many Boards will frequently go through the entire selection process with these same differing perspectives. While the Board may not reach full consensus on all aspects of their expectations, by providing for much greater clarity and consensus at the beginning of the process, the Board will find that the executive search process is much more effective, efficient, focused, and much less frustrating.

Task 4 Services: (Additional Task) Formulating the Ideal Candidate Profile (ICP)

In this same Board meeting the referenced surveys would be reviewed and final discussions would be conducted on what would be the Ideal Candidate Profile (ICP) for the Executive Director of the agency. The above planning inputs will be key contributions to the ICP. The ICP should be designed to reflect Board consensus on the roles, responsibilities, knowledge, skills, abilities, and experience needed to achieve peak performance as an Executive Director for the agency. The consultant be asking the Board for feedback on key decision points that would be drawn from a series of work session questions asked by the consultants. TOLE would then prepare a summary Ideal Candidate Profile that will be referenced throughout the search and selection process.

Task 5 Services: Preparing the Marketing and Outreach Plan / Announcement

At this initial meeting, the consultant will collaborate with the Board on an aggressive national marketing and outreach plan and strategy as well as the content of the position announcement. Both documents will be in full compliance with all AA, EEO and HUD requirements. Upon approval by the Board, the consultant will engage with agency staff on advertising the position and posting the announcement and other links on the agency website. TOLE will also communicate with approximately 100 candidates that are considered to be quality applicants for previous positions advertised by TOLE. Postings will be placed on the PHADA, NAHRO, CLPHA, and NEOGOV (national, regional, and state) websites and included in their professional journals or publications. Also, the consultant will utilize its extensive contacts through LinkedIn to market the position. Other outreach options known to your agency will also be utilized to maximize the exposure of the position. An emphasis will be placed on collaborating with the Board on special outreach options to women, minorities and other diverse candidates. The Board will approve the marketing and recruitment plan.

Task 6 Services: (Additional Task) Preparing an Executive Recruitment Brochure

An executive recruitment brochure will be prepared and linked electronically to advertising of the position. This will be a high quality, glossy recruitment tool that will be prepared by the consultant and distributed widely to candidates and at conferences. The Board will approve the brochure.

LEVEL 2: MARKETING, BATCHING AND SCREENING APPLICANTS

Task 1 Services: Implementing the Marketing and Outreach Plan

All aspects of the marketing and outreach plan and strategy will be implemented by the consultant.

Task 2 Services: Batching and Screening the Applicants

TOLE will handle inquiries from interested parties, batch the applicants and eliminate candidates that did not meet the minimum requirements and qualifications. Letters will be sent to the unqualified candidates. TOLE will review all applications for completeness, background, and qualification, and request any necessary additional information from qualified applicants. The consultant will provide copies of all applications to the Board and will report out on the initial pool of qualified candidates. The highly qualified candidates will be verified for experience and credentials qualifications. A spreadsheet will be prepared for the Board that identifies the profiles of candidates.

Task 3 Services: (Additional Task) Preparing the Rating / Ranking Criteria:

TOLE will design a matrix of rating and ranking factors that would be used to screen the qualified applicants and to formulate an initial rating and ranking of the highest qualified candidates. This typically includes approximately 16 factors with the range of scores for each factor being weighted to reflect its value to the overall rating and ranking process. The position requirements, qualifications and ideal candidate profile will all be factored into the scoring system. These factors will be provided to the Board for review and approval.

Task 4 Services: (Additional Task) Reducing the Applicants to Best Qualified Candidates

The consultant will apply the screening criteria and rating / ranking criteria in reducing the applicants down to 6 or 7 candidates. Board members will also have the option to complete their own individual rating and ranking of applicants. A profile will be prepared for each of these candidates that highlights their qualifications, experience, strengths and weaknesses. A conference call will be scheduled to finalize the rating and ranking recommendations with the Board or its Recruitment Committee. TOLE will prepare a dossier for the Board on each of the best qualified candidates and present to the Board. The Board may add or reject any candidates.

LEVEL 3: INTERVIEWING AND SCORING BQ CANDIDATES

Task 1 Services: (Additional Task) Interviewing the Best Qualified Candidates

The consultant will be on-site to be engaged with the Board in interviewing the best qualified candidates. TOLE will design 12 to 14 interview questions that will be asked in phone interviews of each best qualified candidate. The Board will be provided the opportunity to review the questions and suggest any changes to the questions. The consultant will schedule the interview dates and times. Typically, 6 or 7 candidates would be interviewed by Zoom or other on-line media as the best qualified candidates. Consistent with EEOC and Affirmative Action guidelines, all applicants will be asked the same questions, will have the same amount of time to respond to questions, and will be interviewed using the same venue.

Task 2 Services: (Additional Task) Rating and Ranking the Best Qualified Candidates

Subsequent to the interviews, the consultant and the Board or its Committee will independently score each candidate on the interview questions and place their scores on a spreadsheet prepared by TOLE. In addition, each rater will score the candidates on the Ideal Candidate Profile factors. Based on both sets of scores, a total score and ranking for the candidates is determined. All scores

will then be compared and, as necessary, some discussion time will be provided to discuss final ratings and rankings and to narrow down the finalists that would be recommended to be invited in for an on-site interview with the full Board and consultant..

Task 3 Services: Recommending Finalists for Board Consideration

Dossiers will be updated on all best qualified candidates. Recommendations will be provided to the Board for finalists for the position. The Board will make their decision on which finalists to be brought in (usually 4 or 5 finalists) for an on-site interview with the Board. Unsuccessful best qualified candidates will be notified by letter.

Task 4 Services: Scheduling the Finalist Interviews

The consultant will coordinate with the Board members on preferred dates and times for the final interviews and coordinate with the finalists on dates and specific times for their interviews.

LEVEL 4: COMPLETING BACKGROUND CHECKS / INTERVIEWING FINALISTS

Task 1 Services: (Expanded Task) Completing the Background Checks:

TOLE would complete a comprehensive background check on all finalists prior to the finalist interviews. Approximately 40% of applicants will have some issues that may be a basis for rejection or may need Board deliberation to determine further interest in the candidate. TOLE will complete full criminal background checks and credit checks on the finalists by utilizing a national firm that specializes in such services. Reference checks on job performance and skills sets will be completed by the consulting team. Verification of employment and educational credentials will be completed. The proposed budget includes the costs for criminal background checks and credit checks. TOLE will complete an extensive search of websites for any additional positive or negative coverage of the applicant or their agency. If this search raises any issues, TOLE will also consult with nearby Executive Directors that TOLE is familiar with to get a reality check. An updated dossier profile on each finalist will be prepared for the briefing with Board members prior to the finalist interviews.

TOLE recommends that this task be completed earlier in the process than outlined in the RFP sequence. It is the firm's opinion that Boards do not want to be embarrassed by the later surfacing of candidate issues after having selected a preferred candidate.

Task 2 Services: Formulating the Finalist Interview Questions:

TOLE will formulate a set of approximately 16 to 20 interview questions with weighted scores. Board members will be provided these questions for review, comment, and revision.

Task 3 Services: (Optional Task) Scheduling a Community Event:

TOLE has worked extensively with Meet and Greet events that usually happen the night before the interviews with the Board. Attendees include the Board, key staff, community stakeholders and business partners. This event allows candidates to get a pulse of the community and to be more relaxed for the interviews the next day. This allows the Board to get feedback from stakeholders as well as to observe how the candidates interact with a diverse audience.

Task 4 Services: Completing the Finalists Interviews:

Each finalist will be scheduled to meet individually with the full Board. The consultant will be present for these interviews. In addition to the facilitation of the process, Stan Quy can be very effective in the debriefing process in being an impartial contributor in interpreting the quality and substance of candidate responses. Frequently TOLE will point out discrepancies or errors in candidate responses that might not be noted by other interviewers that have less experience and technical background in public / affordable housing. Typically, the individual interviews are approximately 90 to 120 minutes in length. TOLE also encourages the agency to provide each applicant with a tour of the agency's properties and office prior to the interview.

Task 5 Services: Selecting the Preferred Candidate:

Immediately following the finalist interviews, each Board member will complete their individual rating and ranking of the finalists on the interview questions and Ideal Candidate Profile assessment and place their scores on a spreadsheet provided by the consulting team. Opportunity will be provided for discussion and collaboration on the scores and other perspectives. At that point, a preferred candidate will be selected and recommended for the position subject to the negotiation of an acceptable contract.

LEVEL 5: NEGOTIATING A CONTRACT / TRANSITIONING

Task 1 Services: Firming up a Contract with the Selected Candidate:

The Board's preferred candidate would be notified of their selection as the preferred candidate, subject to negotiating a salary, benefits package, and transition details. TOLE will also provide consulting assistance in recommending the salary, fringe benefits, probationary periods, and transition details that would be negotiated into a contract. While the consultant can provide assistance and guidance with this process, the firm believes that the agency should prepare and execute the contract. Sample contracts can be provided by TOLE. Upon successful negotiation of a contract, letters would be sent to the unsuccessful finalists.

If negotiations are unsuccessful, the firm will continue to assist the Board with similar Level 5 Services with the next preferred candidate.

Task 2 Services: (New Task) Transitioning / Succession Planning

TOLE will collaborate with the Board and selected candidate on the transition and probation period. It is critical that the process of hiring a new Executive Director provide for a well thought out, defined structure for succession planning and transitioning. This would include collaboration with the Board on the transition goals, timelines, performance evaluations, and probation period terms.

Task 3 Services: Continuing the Process

Should none of the finalists be selected, the process will be repeated with a new set of candidates at no additional cost to the agency. In addition, should the successful candidate leave through resignation or termination (with or without cause) in the first year of employment, TOLE will reinitiate the recruitment and selection process at no additional cost to the agency.

TYPICAL EXECUTIVE RECRUITMENT TIMELINES*

| KEY MILESTONES / TIMELINES | Month 1 | Month 1. | Month 2 | Month 2 | Month 3 |
|---|----------|----------|----------|----------|----------------------|
| | 1st Half | 2nd Half | 1st Half | 2nd Half | 1 st Half |
| LEVEL 1: PLANNING FOR THE SEARCH / SELECTION PROCESS | | | | | |
| LEVEL 2: MARKETING / BATCHING / SCREENING | | | | | |
| LEVEL 3: BQ INTERVIEWING / SCORING BQ CANDIDATES | | | | | |
| LEVEL 4: COMPLETING BACKGROUNDS / FINALIST INTERVIEWS | | | | | |
| LEVEL 5: RECORDING THE DECISION | | | | | |
| ON-BOARD DATE | | | | | |

*This schedule can be condensed or expanded depending on the needs of the agency and candidate transition time.

QUOTE FOR SERVICES

FEE PROPOSAL:

The Organizational Leadership Edge (TOLE) will complete the scope of services for a total fee of **\$17,850**. This fee is approximately 35% below the costs charged by other competitors for similar services. This fee is based on the level of services outlined in this RFQ proposal. These services are considerably expanded over the minimum services outlined in the RFQ request. TOLE does consider these expanded services to be very critical in the exceptional success of the firm in executive recruitment. However, if the agency would prefer to reduce the services and costs, TOLE will certainly accommodate such a request.

FEE COMPONENTS:

The fee will include all services as proposed in this document, three agency site visits, background checks on finalists, advertising costs, and administrative incidentals.

FAIR PRICE STATEMENT:

TOLE ensures that the proposed rate is the lowest discounted government rate offered to similar clients. TOLE warrants that the prices quoted are not in excess of those charged other governmental or non-governmental clients for the same services performed by the firms.

COST CONTROL:

These costs and hourly fees will be fixed for the length of this contract.

OTHER COSTS ABSORBED BY THE HOUSING AUTHORITY:

BHA would absorb costs for the travel of finalists to interview on-site with the Board.

OTHER TOLE BUDGET COMMENTS:

There will be no charges for travel time to and from the agency. There will be no other charges for phone calls, mailings, copying, etc.

SUBMITTED BY:

The Organizational Leadership Edge
Stanley V. Quy, President


