

CITY OF FRANKLIN, TENNESSEE
PROFESSIONAL SERVICES AGREEMENT
COF Contract # 2010-0190

THIS PROFESSIONAL SERVICES AGREEMENT ("AGREEMENT") is by and between the City of Franklin, Tennessee, hereinafter referenced as CLIENT, and The Mercer Group, Inc., hereinafter referenced as CONSULTANTS, who mutually agree as follows:

DECLARATIONS. CLIENT desires to retain CONSULTANTS to conduct an executive search for the Police Chief for the City of Franklin, Tennessee hereinafter referenced as PROJECT. The PROJECT is described as follows:

Search for Police Chief for the City of Franklin, TN

1. SCOPE OF SERVICES. Consultant shall provide a search for the Police Chief and do all related services for the Project in accordance with the SCOPE OF SERVICES. The SCOPE OF SERVICES as found in Attachment A shall be considered as an integral part hereof.
2. CONSULTANTS will meet with the City Administrator to learn the City's needs, focus and requirements for the new Police Chief.
3. CONSULTANTS will prepare a draft recruitment profile and review it with the City Administrator to arrive at an agreement regarding the specifications for the position.
4. CONSULTANTS will solicit resumes and/or applications from candidates nationwide. These resumes and/or applications are to be submitted directly to CONSULTANTS and are not to go through the CLIENT.
5. CONSULTANTS agree to be bound by the provisions set forth in Attachment A so long as the provisions are not in conflict with this AGREEMENT.
6. In event of a conflict between this AGREEMENT and the attached document(s), this AGREEMENT shall supersede conflicting terms and conditions.

EXECUTED THIS ____ DAY OF _____ 2010.

BY: _____
CONSULTANT'S SIGNATURE
TITLE: _____

BY: _____
Eric Stuckey
City Administrator

TERMS AND CONDITIONS FOR PROFESSIONAL SERVICES

ARTICLE 1. SERVICES. CONSULTANT will:

- 1.1 Act for CLIENT in a professional manner, using that degree of care and skill ordinarily exercised by and consistent with standards of competent consultants using the highest standards in the industry.
- 1.2 Consider all reports to be confidential and distribute copies of the same only to those persons specifically designated by the CLIENT.
- 1.3 Retain pertinent records relating to the services performed for a period of seven (7) years following the completion of the work; during this period the records shall be available for review by CLIENT at all reasonable times.

ARTICLE 2. CLIENT'S RESPONSIBILITIES. CLIENT, or his authorized representative, will:

- 2.1 Provide CONSULTANT with all information regarding the PROJECT, which is available to, or reasonably obtainable by, the CLIENT.
- 2.2 Designate, in writing, the sole PROJECT representative to coordinate with and direct the CONSULTANT, including all contact information.
- 2.3 Guarantee to CONSULTANT that it has the legal capacity to enter into this contract and that sufficient monies are available to fund CONSULTANT's compensation.

ARTICLE 3. GENERAL CONDITIONS.

- 3.1 CONSULTANT, by the performance of services covered hereunder, does not in any way assume, abridge or abrogate any of those duties, responsibilities or authorities customarily vested in other professionals or agencies participating in the PROJECT.
- 3.2 CONSULTANT shall not be responsible for the acts or omissions of any party involved in concurrent or subsequent phases of the PROJECT acting upon written instruction issued by the CONSULTANT.
- 3.3 Either party upon seven (7) days written notice in the event of substantial failure by the other party to perform in accordance with the terms hereof may terminate this AGREEMENT. In the event of termination, the CONSULTANT shall be paid for services performed to the termination notice date.
- 3.4 Neither CLIENT nor CONSULTANT may assign or transfer its duties or interest in this AGREEMENT without written consent of the other party. However, nothing in this ARTICLE shall prevent CONSULTANT from engaging independent consultants, associates,

and subcontractors to assist in the performance of the SERVICES at CONSULTANT's cost.

3.5 ALLOCATION OF RISK AND LIABILITY; GENERAL. Considering the potential liabilities that may exist during the performance of the services of this AGREEMENT, the relative benefits and risks of the PROJECT, and the CONSULTANT's fee for the services rendered, and in consideration of the promises contained in this AGREEMENT, the CLIENT and the CONSULTANT agree to allocate and limit such liabilities in accordance with this paragraph.

3.6 INDEMNIFICATION. CONSULTANT agrees to indemnify and hold CLIENT harmless from and against legal liability for all judgments, losses, damages, and expenses to the extent such judgments, losses, damages, or expenses are caused by Consultant's negligent act, error or omission in the performance of the services of this AGREEMENT. In the event judgments, losses, damages, or expenses are caused by the joint or concurrent negligence of CONSULTANT and CLIENT, they shall be borne by each party in proportion to its own negligence.

3.6.1 SURVIVAL. The terms and conditions of this paragraph shall survive completion of this services agreement.

ARTICLE 4. SCOPE OF SERVICES.

4.1 CONSULTANT shall provide the SERVICES as described in Attachment A.

4.2 By mutual agreement, this contract and scope can be amended by the parties. The scope and fee for any additional tasks or services under such amendment shall be mutually negotiated and agreed to in writing prior to beginning such additional tasks or services.

ARTICLE 5. SCHEDULE.

5.1 TIME OF THE ESSENCE. The parties agree that TIME IS OF THE ESSENCE with respect to the parties' performance of all provisions of the Agreement.

5.2 FORCE MAJEURE. Neither party will be liable to the other for any delay or failure to perform any of the services or obligations set forth in this Agreement due to causes beyond its reasonable control, and performance times will be considered extended for a period of time equivalent to the time lost because of such delay plus a reasonable period of time to allow the parties to recommence performance of their respective obligations hereunder. Should a circumstance of force majeure last more than ninety (90) days, either party may by written notice to the other terminate this Agreement. The term "force majeure" as used herein shall mean the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or

restraints of any kind of the government of the United States or of the State or any of their departments, agencies or officials, or any civil or military authority; insurrections, riots, landslides, earthquakes, fires, storms, tornadoes, droughts, floods, explosions, breakage or accident to machinery, transmission pipes or canals; or any other cause or event not reasonably within the control of either party.

- 5.3 Should CLIENT request changes in the scope, extent, or character of the PROJECT, the time of performance of CONSULTANT's services as indicated in Attachment A shall be adjusted equitably.

ARTICLE 6. USE OF DOCUMENTS, DATA.

- 6.1 All Documents, including, but not limited to, reports, drawings, specifications, and computer software prepared by CONSULTANT pursuant to this AGREEMENT are instruments of service in respect to the PROJECT. CONSULTANT shall retain an ownership and property interest therein (including the right of reuse at the discretion of the CONSULTANT) whether or not the PROJECT is completed.

6.1.1 USE OF DATA SYSTEMS: Ownership, property interests and proprietary rights in data systems used by CONSULTANT do not extend to the data created by or supplied to CONSULTANT by the CLIENT; all rights to that data (including derivative or hidden data such as metadata) shall vest solely in CLIENT at the moment of creation.

6.1.2 DISCLOSURE OF DOCUMENTS/DATA. CLIENT may be required to disclose documents or data under state or federal law. CLIENT shall notify CONSULTANT if a request for data or documents has been made and shall give CONSULTANT a reasonable opportunity under the circumstances to respond to the request by redacting proprietary or other confidential information. CONSULTANT waives any right to confidentiality of any document, e-mail or file it fails to clearly mark on each page as confidential or proprietary. In exchange, CONSULTANT agrees to indemnify, defend, and hold harmless CLIENT for any claims by third parties relating thereto or arising out of (i) the CLIENT's failure to disclose such documents or information required to be disclosed by law, or (ii) the CLIENT's release of documents as a result of CLIENT's reliance upon CONSULTANT representation that materials supplied by CONSULTANT (in full or redacted form) do not contain trade secrets or proprietary information, provided that the CLIENT impleads CONSULTANT and CONSULTANT assumes control over that claim.

- 6.2 CLIENT-furnished data that may be relied upon by CONSULTANT is limited to the printed copies that are delivered to the CONSULTANT pursuant to ARTICLE 2 of this AGREEMENT. Any copyrighted electronic files furnished by CLIENT shall be used by CONSULTANT only for the PROJECT as described herein. CLIENT's posting or publication of such documents created by CONSULTANT for CLIENT shall constitute fair use and shall not constitute an infringement of CONSULTANT's copyright, if any.
- 6.3 Documents that may be relied upon by CLIENT are limited to the printed copies (also known as hard copies) that are signed or sealed by the CONSULTANT. Files in electronic media format of text, data, graphics, or of other types that are furnished by CONSULTANT to CLIENT are only for convenience of CLIENT, unless the delivery of the PROJECT in electronic media format has been dictated in Attachment A, SCOPE OF SERVICES. Any conclusion or information obtained or derived from electronic files provided for convenience will be at the user's sole risk.
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- 6.4 Because data stored in electronic media format can deteriorate or be modified inadvertently or otherwise without authorization of the data's creator, the party receiving electronic files agrees that it will perform acceptance tests or procedures within 60 days, after which the receiving party shall be deemed to have accepted the data thus transferred. Any errors detected within the 60-day acceptance period will be corrected by the party delivering the electronic files. Unless stated otherwise herein, CONSULTANT shall not be responsible to maintain documents stored in electronic media format after acceptance by CLIENT.
- 6.5 When transferring documents in electronic media format, CONSULTANT makes no representations as to long term compatibility, usability, or readability, of documents resulting from the use of software application packages, operating systems, or computer hardware differing from that as required of, and used by, CONSULTANT at the beginning of this PROJECT.
- 6.6 CLIENT may make and retain copies of Documents for information and reference in connection with use on the PROJECT by the CLIENT, or his authorized representative. Such Documents are not intended or represented to be suitable for reuse by CLIENT or others on extensions of the PROJECT or on any other project. Any such reuse or modifications without written verification or adaptation by CONSULTANT, as appropriate for the specific purpose intended, will be at CLIENT's sole risk and without liability or legal exposure to the CONSULTANT or to CONSULTANT's Consultants.

- 6.7 If there is a discrepancy between the electronic files and the hard copies, the hard copies govern.
- 6.8 Any verification or adaptation of the Documents for extensions of the PROJECT or for any other project will entitle CONSULTANT to further compensation at rates to be agreed upon by CLIENT and CONSULTANT.

ARTICLE 7. INSURANCE.

- 7.1 During the performance of the SERVICES under this AGREEMENT, CONSULTANT shall maintain the following minimum insurance:
- a) General Liability Insurance with a combined single limit of \$1,000,000 per occurrence and \$2,000,000 annual aggregate.
 - b) Automobile Liability Insurance with a combined single limit of \$1,000,000 for each person and \$1,000,000 for each accident.
 - c) Workers' Compensation Insurance in accordance with statutory requirements and Employer's Liability Insurance with a limit of \$500,000 for each occurrence.

 - d) Professional Liability Insurance with a limit of \$1,000,000 annual aggregate.
- 7.2 CONSULTANT shall upon written request furnish CLIENT certificates of insurance, which shall include a provision that such insurance shall not be canceled without at least thirty (30) days' written notice to CLIENT.
- 7.3 No insurance, of whatever kind or type is to be considered as in any way limiting other parties' responsibility for damages resulting from their activities in the execution of the PROJECT. CLIENT agrees to include, or cause to be included, in the PROJECT's construction contract, such requirements for insurance coverage and performance bonds by the PROJECT's construction contractor as CLIENT deems adequate to indemnify CLIENT, CONSULTANT, and other concerned parties against claims for damages and to insure compliance of work performance and materials with PROJECT requirements.

ARTICLE 8. PAYMENT.

- 8.1 CLIENT will pay CONSULTANT for services and expenses in accordance with the FEE STRUCTURE proposed for the PROJECT as shown in Attachment A. CONSULTANT's invoices will be presented at the completion of the work or monthly and will be payable upon receipt. Payment is due upon presentation of invoice and is past due thirty (30) days from invoice date. CLIENT shall give prompt written notice of any disputed amount and shall pay the remaining amount.
- 8.2 CONSULTANT shall be paid in full for all services under this AGREEMENT, including CLIENT-authorized overruns of the

PROJECT budget or unforeseen need for CONSULTANT's services exceeding the original SCOPE OF SERVICES.

8.3 NO TAXES, NO INTEREST PAYMENTS.

As a tax-exempt entity, the CLIENT shall not be responsible for sales or use taxes incurred for products or services. The CLIENT shall supply CONSULTANT with its Sales and Use Tax Exemption Certificate upon CONSULTANT's request. CONSULTANT shall bear the burden of providing its suppliers with a copy of the CLIENT's tax exemption certificate and shall assume all liability for such taxes, if any, that should be incurred. The CLIENT does not agree to pay any interest for late payments, having agreed to pay in a timely manner.

8.4 TRAVEL; EXPENSES

The CLIENT shall reimburse reasonable expenses, including travel and meals, when specified in the Scope of Work, but only in accordance with the CLIENT'S Travel and Expense Policy and Procedures Manual and in accordance with Attachment A. The maximum amount will be applied as of the date of travel and as listed in the per diem reimbursement rates on the "CONUS" website developed by the United States General Services Administration, located at www.gsa.gov [click on 'per diem rates' under the 'etools' category].

ARTICLE 9. EXTENT OF AGREEMENT:

9.1 APPLICABLE LAW/CHOICE OF FORUM AND VENUE. This

Agreement is made under and will be construed in accordance with the laws of the State of Tennessee without giving effect to that state's choice of law rules. The parties' choice of forum and venue shall be exclusively in the courts of Williamson County, Tennessee. Any provision of this AGREEMENT held to violate a law or regulation shall be deemed void, and all remaining provisions shall continue in force.

9.2 ENTIRE AGREEMENT. This AGREEMENT, including these terms and conditions, represent the entire AGREEMENT between CLIENT and CONSULTANT for this PROJECT and supersedes all prior negotiations, representations or agreements, written or oral. This AGREEMENT may be amended only by written instrument signed by CLIENT and CONSULTANT.

9.3 PARTIES; NO THIRD PARTY RIGHTS CREATED. CLIENT and CONSULTANT each binds itself and its successors, executors, administrators, permitted assigns, legal representatives and, in the case of a partnership, its partners, to the other party to this AGREEMENT and to their successors, executors administrators, permitted assigns, legal representatives and partners of such other party in respect to all provisions of this AGREEMENT. The SERVICES provided for in this AGREEMENT are for the sole use and

benefit of CLIENT and CONSULTANT. Nothing in this AGREEMENT shall be construed to give any rights or benefits to anyone other than the CLIENT and the CONSULTANT.

- 9.4 WARRANTIES/LIMITATION OF LIABILITY/WAIVER. The CLIENT reserves all rights afforded to local governments under law for all general and implied warranties. The CLIENT does not waive any rights it may have to all remedies provided by law and therefore any attempt by CONSULTANT to limit its liability shall be void and unenforceable.

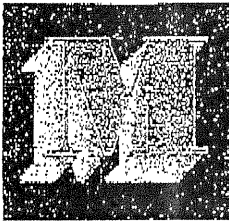
ARTICLE 10. DISPUTE RESOLUTION, BREACH, SURVIVAL.

- 10.1 If a dispute should arise relating to the performance of or payment for the services under this AGREEMENT, the aggrieved party shall notify the other party of the dispute within a reasonable time after such dispute arises. During the pendency of any dispute, the parties shall continue diligently to fulfill their respective obligations hereunder. No arbitration or mediation shall be required as a condition precedent to filing any legal claim arising out of or relating to the AGREEMENT. No arbitration or mediation shall be binding.

- 10.2 BREACH. Upon deliberate breach of the AGREEMENT by either party, the non-breaching party shall be entitled to terminate the AGREEMENT with notice, with all of the remedies it would have in the event of termination, and may also have such other remedies as it may be entitled to in law or in equity.

ARTICLE 11. SURVIVAL.

The provisions contained in this PROFESSIONAL SERVICES AGREEMENT shall survive the completion of or any termination of the AGREEMENT, agreement or other document to which it may accompany or incorporate by reference or which subsequently may be modified, unless expressly excepted from this Article upon consent of both parties.



The Mercer Group, Inc.

Consultants To Management

551 W. Cordova Road #726
Santa Fe, New Mexico 87505
505-466-9500
FAX 505-466-1274
E-mail: jmercerc@mercergroupinc.com

November 29, 2010

Via Email: eric.stuckey@franklintn.gov

Eric Stuckey
City Administrator
City of Franklin
109 Third Avenue South
Franklin, TN 37064

Dear Mr. Stuckey:

Pursuant to your request on Monday, November 29, for a revised proposal for the search for a Chief of Police dated November 12, 2010, for the City of Franklin, Tennessee, The Mercer Group, Inc. submits the following:

Professional Services:

Outreach Campaign and
Preliminary Evaluation of Candidates
Provide to Franklin the top 10-15 candidates \$7,500.00

Expenses (not to exceed):

Ads *City will pay for advertising directly* ~~\$1,700.00~~ 0 ESS *Dr*
Telephone 450.00
Print/Reproduction 1,500.00
Postage 300.00
Total Expenses ~~\$3,950.00~~
2,250.00 ESS *Dr*

Revised Quote: ~~\$11,450.00~~
9,750.00 ESS *Dr*

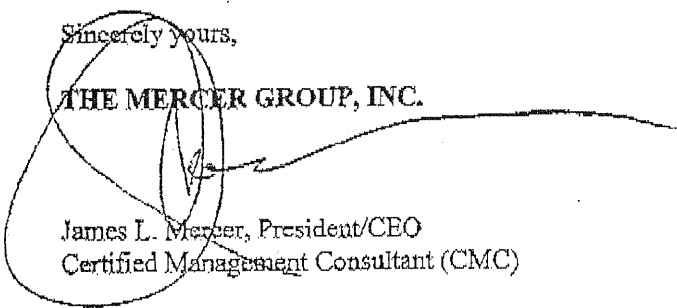
This quote is based on a revised Scope of Work. It is also based on the parties conferring by mail, e-mail and/or telephone and no trips being made to the City of Franklin. *11-30-10*

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www.mercergroupinc.com

Eric Stuckey
City of Franklin
Page Two
November 29, 2010

Sincerely yours,

THE MERCER GROUP, INC.



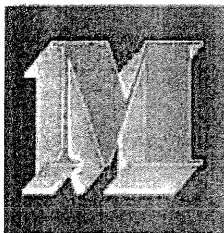
James L. Mercer, President/CEO
Certified Management Consultant (CMC)

**CITY OF FRANKLIN,
TENNESSEE**

Proposal for Executive
Search Services for
the Position of

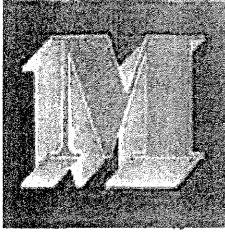
CHIEF OF POLICE

November 12, 2010



The Mercer Group, Inc.

Consultants To Management



The Mercer Group, Inc.

Consultants To Management

551 W Cordova Road, #726
Santa Fe, New Mexico 87505
505-466-9500

FAX 505-466-1274
E-mail: jmercer@mercergroupinc.com

November 12, 2010

VIA E-MAIL: candacec@franklin.tn.gov

Candace Connell
Assistant Human Resources Director
City of Franklin
109 Third Avenue South
Franklin, TN 37064

Dear Ms. Connell:

The Mercer Group, Inc. is most pleased to submit this proposal to assist the City of Franklin to recruit nationally and to develop exceptionally well-qualified candidates for the position of Chief of Police. We are most interested in assisting the City of Franklin with this critical project, and if selected to conduct the search, would have no difficulty beginning the project immediately and expediting our work to ensure a smooth process. The Mercer Group, Inc. has extensive experience in conducting chief of police searches locally and nationally. Our firm conducts many police chief searches each year throughout the United States. Also, Mr. Wurzberger, who will be assisting Mr. Mercer on this project, was involved in the recent recruitment for a Chief of Police for the City of Tracy, California. Mr. Mercer and Ms. Prince-Mercer, also assisting on police chief searches, are beginning a search for a new Chief of Police for the City of Bowie from where the present Chief is leaving for a career move. We are especially well qualified to conduct this search for the City of Franklin. Appendix A has a list of other Public Safety positions our firm has filled.

The purpose for engaging the services of an executive search firm is to seek out and recruit experienced candidates and to assist the City of Franklin in selecting highly qualified individuals who meet the profile and needs of the City and who might not otherwise apply. We have conducted recent searches for chiefs of police for several communities your size. We are quite familiar with the candidate pool and the local needs.

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www.mercergroupinc.com

This proposal from our firm should provide you with the overview information that you need relative to our firm's qualifications to conduct an executive search for an Chief of Police for the City of Franklin.

Our Approach

After reviewing written materials provided by City and meeting with you and others of your choice to determine their objectives relative to the search, we would conduct the following steps:

1. Analyze the position and draft a Position Profile/Recruitment Brochure.
2. Recruit for the position on a regional and national basis.

3. Invite potential candidates to apply who meet the criteria established by the City.
4. Review and screen applications.
5. Conduct interviews and background checks of selected candidates.
6. Recommend a list of final candidates with reports, suggested questions and forms.
7. Coordinate final interviews, conduct final background checks, negotiation and follow-up.

1. **Position Analysis**

We will have extensive consultation with the City Manager, other key City staff and local leaders selected by them, as well as other individuals or groups (if you wish) to determine City's vision/mission, goals and objectives, the needs and issues, requirements of the job, and to obtain information about the environment within which the position functions. In addition, we will spend a considerable amount of time at the beginning of the process with the appropriate City of Franklin personnel in order to determine the level of experience and training needed.

During this process, we will initiate individual interviews with the City Manager, citizen organizations, department heads and key staff, and others of your choice to identify expectations, perceptions, and concerns regarding the position.

Based on those meetings, we will prepare a draft position profile and review it with the City Manager in order to arrive at a general agreement regarding the specifications for the position. The final position profile will include information about the community, major issues to be faced, the position, and the selection criteria established.

2. **Recruitment Process**

Because we have recently completed similar searches, we will first review our database to determine those candidates whom we may already know and/or already have on file who may meet the City's specifications.

Although this process is valuable, we will rely most heavily on our own contacts in the chief of police field and on our own experience. In other words, through "networking", we will conduct a nation-wide professional search for the best qualified candidates and invite them to apply for the position.

We will provide the City Manager with several advertising alternatives with varying degrees of cost and their associated benefits. Based on our discussions with the City Manager, we will place ads in professional journals, in national, online with appropriate and strategic websites, and in various minority and women's publications to encourage applicants to apply.

3. **Resume Review**

We will review and analyze each applicant's background and experience against the position description criteria.

We will acknowledge all resumes received and keep candidates informed of their status.

4. **Candidate Screening**

Criteria for the preliminary screening will be contained in the approved "Recruitment Profile". They may include such items as education, technical knowledge, experience, accomplishments, management style, personal traits, etc. Screening of candidates against those criteria will be based on data contained in the resumes and other data provided by the candidates and on our knowledge of the organizations in which they work. At this stage, each must meet the minimum qualifications specified in the Recruitment Profile.

We will be responsible for screening the applications received. This initial screening will be conducted by telephone and/or interactive video with the prospective candidate. We will conduct interviews with references who may know the candidate's background and expertise by telephone. Where feasible, we will also conduct personal interviews with top candidates.

Once the initial screening is completed, we will select the prospective candidates who most closely match the criteria established by the City Manager. The output of this step in the process will be a matrix display of the top candidates showing how each rates against the selection criteria established by the City Manager. This matrix will be reviewed with the City Manager in one-on-one meetings and guidance obtained prior to proceeding. One contingency here is that the City Manager may not approve of any of the candidates. If that should occur, we would, of course, keep searching until the City's needs are clearly met.

After review by the City Manager, we will personally interview each using various interview techniques. We will closely examine their experience, qualifications and achievements in view of the selection criteria and our professional expertise in evaluating the quality of such qualifications and achievements.

We also request that all candidates provide us, in writing, substantial information about their accomplishments and their management style and philosophy. This information will be verified and, at the City Manager's option, may be further tested by having the finalists complete management and leadership style inventories. We interpret these instruments for the City Manager as well.

5. Background Investigations

As part of our process in evaluating top candidates, we make detailed and extensive reference checks. In conducting these, it is our practice to speak directly to individuals who are now or have previously been in a position to evaluate the candidates' job performance.

We ask each candidate to provide us with a large number of references. We then network these references to other persons who know the candidate. In this way, we thoroughly evaluate each candidate. We have talked to as many as 23 references concerning a single finalist candidate. These references and evaluations are combined to provide frank and objective appraisals of the top candidates. We also verify past employment difficulties, if any, including any legal action filed against former employers.

As part of our evaluation process, we verify undergraduate and graduate college degrees. We arrange for credit checks, criminal checks, and, as an additional option, can arrange for psychological (or similar) testing of the candidates that may be desired. As a part of this project we can provide the results of a Teleometrics Management Style Inventory on the finalist candidates. We can also conduct a Myers-Briggs analysis of the team with the new team member for team building purposes. (These may be extra cost items.) We will recommend background investigation criteria to the City Manager who will make the final decision on the specifics of the background check.

6. **Interview Process**

Based on the preceding steps, a recommended list of finalists for the position of Chief of Police will be compiled. We will prepare a written summary on each finalist. The information will cover, but not be limited to, 1) present position, 2) total years experience, 3) salary requirements, 4) education, 5) previous positions held, 6) notable projects, 7) management style, 8) skills and abilities, 9) interests, and 10) professional goals.

This information will be presented to the City Manager in a detailed written format combined with the results of the background investigation and candidate screening. We will make a recommendation on a group of five (5) to seven (7) finalists. The City Manager shall make the final decision on which and how many candidates will be interviewed.

Our report will be presented in a meeting with the City Manager in which we will discuss our recommendations and provide background information, sample questions and a rating form for the interviews. We can also assist the City Manager at no extra charge in conducting targeted selection and/or simulation processes with finalists, if desired.

In particular, we will explain which, if any, of the applicants specifically meet the total criteria established by the City Manager or whether the final group simply represents the best available talent.

We will also provide the City Manager with our recommendations relative to timing, sequencing, location, setting, format, and conduct of interviews with the finalists. We will provide information about trends in employment, employment contracts and agreements, relocation expenses, perquisites, appropriate role for spouses, receptions, etc. We will arrange schedules for top candidate interviews with the City Manager and will coordinate the process.

7. **Negotiation and Follow-up**

We will also assist in the negotiation process relative to salary, benefits and other conditions of employment. We feel that we can be especially helpful because we have proposed a fixed fee rather than one based on a percentage of salary. One contingency here is that an agreement may not be able to be arranged. If that is the case, we will work with the City Manager to select an alternate candidate.

We will properly handle any and all media relations. Unless otherwise directed, it is our standard practice to tell all media that we are working on behalf of the City Manager and that any public statement should come directly from the City Manager. We will maintain confidentiality of candidate information, to the degree possible, under Tennessee law.

Finally, we will notify by letter all unsuccessful candidates who were not recommended for interview with the City Manager of the final decision reached. We suggest, however, that it is more proper for the City Manager to directly notify all unsuccessful candidates whom they interviewed of the final result.

Once the new Chief of Police has been on board for 30 days or so, we will conduct a session with the City Manager and with the new Chief of Police in order to establish mutual performance criteria and goals for the position. In this regard, we will work with the City Manager to define the role of the new Chief of Police within the City of Franklin.

We will follow-up periodically with the City Manager and the new Chief of Police during the first year in order to make any adjustments that may be necessary.

We will keep the City Manager closely informed and involved in decisions concerning the search process at all times. We will prepare and send to the City Manager bi-weekly e-mail updates and a formal progress report at the mid-point of the search. These reports will contain a progress report on the recruitment and specific steps to be taken to meet the City Manager's deadlines and an itemization of expenses incurred-to-date and expected to be incurred during each succeeding project step.

Support from the City Manager will be needed, as follows:

- Arranging interviews with the City Manager and key City staff
- Providing budget, organization charts and other documents
- Place of contact for the search
- Processing invoices for payment

Our approach is highly interactive and significantly involves the client in all important steps of the process.

Schedule

Our search process normally takes about 90 to 120 days from date of approval of the Position Profile/Recruitment Brochure by the client. The more time we have, within reason, of course, the more effectively we can conduct thorough evaluation and background checks on finalist candidates.

Firm Qualifications and Staffing

Our firm is headquartered in the Atlanta Metropolitan area and has 19 branch offices throughout the United States. We will work from the Santa Fe office.

Candace Connell
City of Franklin
Page Seven
November 12, 2010

The principal consultant to be utilized for this engagement would be Mr. James L. Mercer, President of our firm. In total, Mr. Mercer has completed over 2000 searches for executives in the public sector and private sectors. The quality of our work is evidenced by the amount of repeat business which we receive from our clients.

Mr. Mercer possesses Bachelor of Science and Master of Business Administration degrees and is a former Assistant City Manager of Raleigh, North Carolina. He is a Certified Management Consultant, and previously served as a Partner with Korn/Ferry International (the world's largest executive search firm) and as Director of Management Consulting Services for Coopers & Lybrand. Mr. Mercer is President of The Mercer Group, Inc., a firm which he founded.

Mr. Mercer will be the lead consultant on this project. Mr. Wurzberger and Ms. Prince-Mercer will work with Mr. Mercer on this project. Mr. Wurzberger has over twenty years of public sector experience. Mr. Wurzberger holds a Bachelor's Degree in English from San Diego State University. Mr. Wurzberger served for seven years as Senior Associate with Hughes, Perry & Associates (formerly Hughes, Heiss & Associates), a highly regarded California-based public sector management consulting firm providing executive search and other consulting services to local government clients in California and other states since 1974. Mr. Wurzberger specializes in public sector executive search.

Ms. Prince-Mercer received her Bachelor of Arts degree in History with minors in Art, Political Science and Education from the University of Nevada. She received her Doctor of Jurisprudence degree from Woodrow Wilson College of Law. She is licensed to practice law in New Mexico and in Georgia. Ms. Prince-Mercer is qualified to administer and interpret the MBTI forms. Ms. Prince-Mercer has been in management consulting for over eighteen years. She has experience working in executive search and has worked on several of the police chief searches our firm has conducted. She also has experience in compensation and classification, and in organization and management studies.

We have a number of minority and women placements in key executive positions and are proud of that record.

Code of Ethics

Mr. Mercer is a Member and subscribes to the Code of Ethics of the International City/County Management Association and to the Institute of Management Consultants USA.

Guarantees

We offer several guarantees of our work. The four most important are:

1. We will keep working until the placement is made.
2. We will not recruit the placement for other positions without your permission.

3. We will not recruit any of your staff for two years from the date of the placement, without your permission.
4. If the selected candidate leaves your employ within the first year, we will redo the search for expenses only.

Reasonable Fees

Our normal fees to conduct a search of this type are competitive and are \$16,500 plus out-of-pocket expenses not-to-exceed \$8,000. Because of the current economic conditions in the country we will discount the fee by \$1,500 so that the total professional fee is \$15,000 plus out-of-pocket expenses not-to-exceed \$8,000. Items typical of a similar search with their typical costs are broken down below. Since we are conducting other consulting work around the country, expenses can be kept to a minimum.

Position Analysis	\$ 1,500
Advertising Campaign	3,000
Resume Review	1,750
Candidate Screening	4,250
Background Investigation	4,500
Interview Process	1,000
Negotiation and Follow-up	500
TOTAL FEE	\$16,500
TOTAL FEE	\$1,500
TOTAL FEE	\$15,000

Expenses, not-to-exceed out-of-pocket in the amount of \$8,000.00 are for consultant travel, lodging and per diem, telephone, correspondence, advertising, research, sourcing, reference and background investigation, data assemblage and report preparation. Newspaper advertising is not included in the above maximum expense and can sometimes run as high as \$2500 for one ad.

Because of our other ongoing consulting and search work and our experience, expenses should be kept to a minimum. The cost for final candidates to travel to interview with the City Manager is not included. Such costs are typically paid by the client on a reimbursement basis, directly to the candidates. These costs are extremely difficult to estimate because they depend on where the candidates are located. Typically, out-of-state costs run about \$750 to \$1,000 per person.

The City of Franklin's liability to The Mercer Group, Inc. for services rendered under this agreement will not exceed the agreed upon price unless an increase is authorized by the City Manager in writing.

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We will submit monthly invoices for fees and expenses. It is our practice to bill one-third at the start of the search, one-third at the end of 30 days, and one-third upon delivery of the Final Report. Each invoice is due and payable upon receipt. Expenses will be billed in addition and shown as a separate figure.

We will comply with all applicable laws, rules and regulations of federal, state and local government entities.

Our ability to carry out the work required will be heavily dependent upon our past experience in providing similar services to others, and we expect to continue such work in the future. We will, to the degree possible, preserve the confidential nature of any information received from you or developed during the work in accordance with our professional standards.

We assure you that we will devote our best efforts to carrying out the engagement. The results obtained, our recommendations and any written material provided by us will represent our best judgment based on the information available to us. Our liability, if any, will not be greater than the amount paid to us for the services rendered.

This proposal constitutes the agreement between us. It cannot be modified except in writing by both parties. Our agreement will be interpreted according to the laws of the State of Tennessee.

References

We have provided local and national references of our work below. You may contact any of the following clients and placements for references on the executive search work of Mr. Mercer:

Mr. David J. Deutsch
City Manager
City of Bowie; population: 55,000
2614 Kenhill Drive
Bowie, MD 20715
301-809-3030
Chief of Police Searches (2006 and 2010)

Mr. Jeff Pomeranz
City Manager
City of Cedar Rapids; population: 75,000
3851 River Ridge Road
Cedar Rapids, IA 52401
319-286-5080
Public Safety Position Searches for City of West Des Moines, Iowa

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Ms. Barbara Matthews
City Manager
City of Takoma Park; population: 18,000
7500 Maple Avenue
Takoma Park, MD 20912
301-891-7268
Police Chief Search

Mr. Kristoff Bauer
Assistant City Manager
City of Fayetteville; population: 121,000
PO Box 1735
Fayetteville, NC 28302
910-433-1993
Chief of Police Search; City Manager Search

Mr. Larry Stevens
City Manager
City of Edmond; population: 80,000
PO Box 2970
Edmond, OK 73083
405-348-8830
Police Chief Search; Parks and Recreation Director Search

Mr. Quinn Bennion
City Administrator
City of Prairie Village; population: 20,511
7700 Mission Road
Prairie Village, KS 66208
913-381-6464
Police Chief Search; City Administrator Search

Mayor Marilyn Hatley
City of North Myrtle Beach; population: 15,000
1018 Second Avenue South
North Myrtle Beach, SC 29582
843-280-5526
Public Safety Director Searches; City Manager Searches; Assistant City Manager Searches

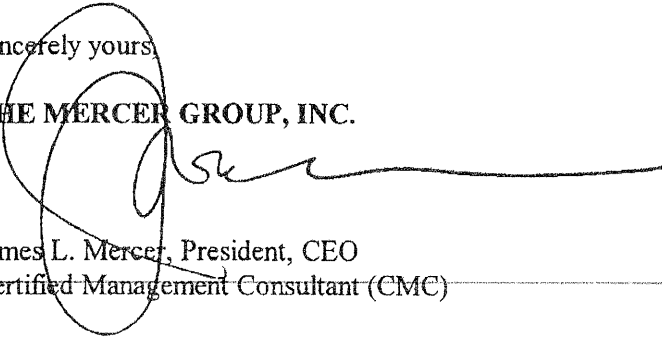
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Please contact me at 505-466-9500 if you have questions.

Thank you for the opportunity to present our qualifications. I will look forward to hearing from you.

Sincerely yours,

THE MERCER GROUP, INC.



James L. Mercer, President, CEO
Certified Management Consultant (CMC)

APPENDIX

APPENDIX: PREVIOUS SEARCHES

The list below shows our firm's experience in conducting city manager/administrator searches over the past 27+ years.

Examples of our executive search experience follow:

- * Executive search work performed by a current staff member while working for another firm.

PUBLIC SECTOR

Public Safety

*Anaheim, California - Chief of Police - 1999
Ann Arbor, Michigan - Fire Chief - 2002
*Barstow, California - Chief of Police - 1998
Belding, Michigan - Chief of Police - 1998
~~Boulder, Colorado - Communications Center Manager - 2004~~
Bowie, Maryland - Chief of Police - 2010
Bowie, Maryland - Chief of Police - 2006
Bozeman, Montana - Chief of Police - 2010
Bryan, Texas - Chief of Police - 2003
Camden, New Jersey - Director of Public Safety - 2001
*Carlsbad, California - Chief of Police - 2000
*Carlsbad, California - Fire Chief - 2001
Champaign, Illinois - Fire Chief - 2004
Champaign, Illinois - METCAD Director - 2004
Charter Township of Meridian, Michigan - Chief of Police - 1998
Chesapeake, Virginia - Fire Chief - 1998
Dane County, Wisconsin - Director of Public Safety Communications - 2009
Davenport, Iowa - Chief of Police - 2000
Davenport, Iowa - Fire Chief - 2000
Daytona Beach, Florida - Fire Chief - 2006
Daytona Beach, Florida - Police Chief - 2006
Des Moines, Iowa - Fire Chief - 2009
Des Moines, Iowa - Chief of Police - 2007
Douglas County, Nebraska - Director of County Corrections Center - 2006
Douglas County, Nebraska - Director of County Corrections Center - 2005
Douglas County, Nebraska - Director of County Corrections Center - 2003
East Lansing, Michigan - Chief of Police - 1991
Edmond, Oklahoma - Chief of Police - 2003
Eloy, Arizona - Chief of Police - 2000
*El Segundo, California - Fire Chief - 2001
Fredericksburg, Virginia - Chief of Police - 2004
Gladstone, Missouri - Director of Public Safety - 2008
Glendale, Arizona - Chief of Police (Limited Scope Search) - 2004

Goodyear, Arizona - Deputy Fire Chief - 2007
Greeley, Colorado - Chief of Police - 2005
*Greenfield, California - Chief of Police - 1999
*Greenfield, California - Chief of Police - 1997
Greensboro, North Carolina - Chief of Police - 1998
Greensboro, North Carolina - Fire Chief - 1998
Hampton, Virginia - Fire Chief - 1986
Hanover Park, Illinois - Fire Chief - 2002
Hanover Park, Illinois - Fire Chief - 2000
Hanover Park, Illinois - Chief of Police - 1998
Hanover Park, Illinois - Chief of Police - 1996
*Hayward, California - Chief of Police - 1995
*Healdsburg, California - Chief of Police - 2001
Holly Springs, Georgia - Chief of Police (Limited Scope) - 2005
Huber Heights, Ohio - Fire Chief - 2001
Huber Heights, Ohio - Deputy Chief of Police - 2003
Jackson County, Missouri - Director of Corrections - 2007
Jackson, Michigan - Chief of Police - 1996
Jackson, Michigan - Fire Chief - 1996
Jacksonville, North Carolina - Chief of Police - 2004
Jacksonville, North Carolina - Chief of Police - 1996
Key West, Florida - Chief of Police - 1998
Laredo, Texas - Chief of Police - 2008
*Kirkland, Washington - Fire Chief - 1997
*Livermore, California - Chief of Police - 2002
*Livermore-Pleasanton Fire Department, California - Fire Chief - 2001
Longboat Key, Florida - Chief of Police - 1996
Manatee County, Florida - Director of Public Safety - 1987
*Manhattan Beach, California - Chief of Police - 1999
Melbourne, Florida - Fire Chief - 2004
Meridian, Michigan - Fire Chief - 1998
Meridian Township, Michigan - Police Chief (Assist) - 2004
Mission Hills, Kansas - Chief of Police - 2007
*Mountain View, California - Police Captain - 1999
Newport, Oregon - Police Chief - 2002
Newport News, Virginia - Chief of Police - 2004
Newport News, Virginia - Chief of Police - 1997
Newport News, Virginia - Chief of Police - 1983
Norfolk, Virginia - Chief of Police - 1993
Norfolk, Virginia - Director of Fire and Paramedical Services - 1996
Northglenn, Colorado - Chief of Police - 2001
North Huntingdon Township, Pennsylvania - Chief of Police - 2004
North Little Rock, Arkansas - Chief of Police - 1988
North Myrtle Beach, South Carolina - Public Safety Director - 2010
North Myrtle Beach, South Carolina - Public Safety Director - 2006
North Port, Florida - Fire Chief (Limited Scope Search) - 2002

*Oakland Park, Florida - Fire Chief - 2003
Orange County, North Carolina - Emergency Services Director - 2007
Owosso, Michigan - Chief of Police - 2003
Papillion, Nebraska - Chief of Police - 2000
*Pasadena, California - Fire Chief - 1998
Pinellas County, Florida - Undersheriff for Administration - 1986
*Pleasanton, California - Chief of Police - 1999
*Pleasanton, California - Police Lieutenant - 2002
Portsmouth, Virginia - Chief of Police - 1997
Prairie Village, Kansas - Chief of Police - 2007
Raleigh, North Carolina - Chief of Police - 1971
Raleigh, North Carolina - Fire Chief - 1973
*Reno, Nevada - Chief of Police - 1997
*Reno, Nevada - Fire Chief - 1996
Rhode Island Airport Corporation - Airport Chief of Police - 2009
Rio Rancho, New Mexico - Director of Public Safety (Limited Scope Search) - 2004
Rio Rancho, New Mexico - Director of Public Safety - 2001

Riverdale, Georgia - Chief of Police - 2000
Sacramento Metropolitan Fire District, Sacramento, California - Chief Deputy - 2009
*San Mateo, California - Chief of Police - 2000
*Santa Rosa, California - Chief of Police - 1996
Sarasota, Florida - Chief of Police - 1987
*Silicon Valley Animal Control Authority, California - General Manager - 2000
*Simi Valley, California - Chief of Police - 1995
Southlake, Texas - Police Chief - 2005
Spartanburg County, South Carolina - Communications Director - 1997
Suffolk, Virginia - Chief of Police - 2001
Takoma Park, Maryland - Chief of Police - 2006
Taos, New Mexico - Chief of Police - 2002
 Police Lieutenant - 2002
 Police Sergeant (2) - 2002
 Police Patrol Officers (2) - 2002
Tracy, California - Chief of Police - 2008
Tracy, California - Fire Chief - 2010
*Tracy, California - Chief of Police - 1997
Trumbull County, Ohio - 911 Director - 2005
Western Tidewater Regional Jail Authority - Virginia - Superintendent - 2002
Wilmington, North Carolina - Chief of Police - 1997
Winchester, Virginia - Chief of Police (Limited Scope) - 2005