



City of Ketchum

P.O. Box 2315 | 480 East Ave. N. | Ketchum, ID 83340

November 3, 2014

Mayor Jonas and City Councilors
City of Ketchum
Ketchum, Idaho

Mayor Jonas and City Councilors:

Recommendation to Enter into a Contract For Services with Diann Craven, ClearDirections, LLC

Introduction/History

One key to providing the Mayor, City Council and community with efficient and effective services is a cohesive and integrated management team. With a new Mayor, City Administrator, Director of Planning and Building and relatively new Public Works Director, it's important for the management team, and all city staff, to develop common values to guide the organization, improve services and foster teamwork. The proposed contract will facilitate a process to implement these objectives through leadership training and organizational development for all city staff.

Current Report

Warren Bennis, a distinguished professor of business leadership once said, "Leadership is the capacity to translate vision into reality." With a new city administration in place, there is a need to identify a vision for the organization, identify common operating principles, customer service standards, and a plan for implementation.

City staff is high functioning, productive and responsive. Even so, there are always opportunities for improvement. This effort will assess the current status, identify issues and provide suggestions for improvement. Undertaking this type of process is important to establishing and maintaining a strong collaborative team.

Proposals were requested from several firms. Diann Craven with ClearDirections, LLC provided the most comprehensive response, best understanding of the needs and direct relevant experience. She has extensive experience working with a variety of companies providing similar services. Diann Craven is a part time resident of the Wood River Valley therefore travel expenses would be minimized.

Financial Requirement/Impact

The cost for the services is \$17,250. It was anticipated this type of project may occur as a result of a new City Administrator. Funding was allocated in the 2014-15 adopted budget in the Professional Services account in the City Clerk's Department.

Recommendation

I respectfully recommend that the Ketchum City Council approve the proposed contact with Diann Craven, ClearDirections, LLC.

Recommended Motion

I move approval to enter into a contract for services with Diann Craven.

Sincerely,

Suzanne Frick
City Administrator

Attachment: Proposed Contract

INDEPENDENT CONTRACTOR AGREEMENT

This Professional Services Agreement (“Agreement”) is made by and between the City of Ketchum, Idaho, an Idaho municipal corporation, organized and existing under the laws of the State of Idaho (“City”), and Diann Craven with ClearDirection, LLC, (“Contractor”).

RECITALS

Whereas, a new City Administrator was hired to work with the Mayor and City Council to manage City operations;

Whereas, to ensure the City Administrator and Department Directors are aligned and working as a cohesive team to provide efficient and cost effective services to the Mayor, City Council and Community;

Whereas, the City is empowered by Idaho Code section 50-301 to enter into contracts as may be deemed necessary to promote the welfare of the City and its residents, and to implement portions of the 2014 Ketchum Comprehensive Plan (“Plan”);.

NOW, THEREFORE, on the basis of the foregoing recitals, and upon motion duly passed by the Ketchum City Council, and for the consideration set forth herein, the parties agree as follows:

AGREEMENT

Contractor agrees to provide services pursuant to the terms and conditions of this Agreement.

1. SCOPE OF WORK:

Contractor will coordinate with the City Administrator to provide the services identified in Attachment A to the Agreement. The Contractor’s point of contact is the City Administrator or her designee.

2. AMOUNT AND METHOD OF PAYMENT: The City agrees to pay Contractor for services rendered under this Agreement in an amount not to exceed \$17,250 in addition to direct expenses such as materials and travel. To begin work, a deposit of \$6,000 will be provided to the Contractor.

(a) Contractor shall maintain time and expense records and make them available to the City monthly and provide monthly invoices in a format acceptable to the City for work performed to the date of the invoice. Each invoice shall also specify current billing and previous payments, with a total of costs incurred and payments made to date.

(b) Reimbursable expenses (which shall cover general out-of-pocket expenses including Contractor's hourly fees, telephone charges, copying expenses, overnight or standard mailing expenses, travel-related expenses, and the like) shall be billed to the City at actual cost to Contractor with no mark-up.

(c) All invoices shall be paid by the City within forty-five (45) days of receipt of proper invoice unless no funds are available, then as soon as funds become available. Uncontested invoices paid after forty-five days may be subject to the statutory rate of interest pursuant to Idaho Code section 67-2302.

(d) If the services subject to a specific invoice do not meet the requirements of this Agreement as the City may determine, the City shall notify Contractor in writing and provide specific deficiencies in the work that do not meet the requirements. Contractor shall have seven (7) working days to correct or modify the work to comply with the requirements of the Agreement as set forth in the City's written notice. If the City again determines the work fails to meet the requirements, the City may withhold payment until deficiencies have been corrected to the City's satisfaction or may terminate this Agreement for cause as set forth in Section 17 of this Agreement.

3. **INDEPENDENT CONTRACTOR RELATIONSHIP:** Contractor is not an employee, servant, agent, partner, or joint venture of the City. The City shall determine the work to be done by Contractor, but Contractor shall determine the legal means by which it accomplishes the work specified by the City. This Agreement shall not be construed to create any employer-employee relationship between the City and Contractor.

4. **RECORDS ACCESS AND AUDITS:** Contractor shall maintain complete and accurate records with respect to costs incurred and manpower expended under this Agreement. All such records shall be maintained according to generally accepted accounting principles, shall be clearly identified, and shall be readily accessible. Such records shall be available for review by the City representatives for three (3) years after final payment. Copies shall be made available to the City upon request.

5. **FEDERAL, STATE, AND LOCAL PAYROLL TAXES:** Neither federal, state, or local income taxes nor payroll taxes of any kind shall be withheld and paid by the City on behalf of Contractor or the employees of Contractor. Contractor shall not be treated as an employee with respect to the services performed hereunder for federal or state tax purposes. Contractor understands that Contractor is solely responsible to pay, according to law, Contractor's income tax. Contractor further understands that Contractor may be liable for self-employment (Social Security) tax to be paid by Contractor according to law.

6. **LICENSES AND LAW:** Contractor represents that it possesses the requisite skill, knowledge, and experience necessary, as well as all licenses required, if

any, to perform the services under this Agreement. Contractor further agrees to comply with all applicable laws, ordinances, and codes of federal, state, and local governments in the performance of the services hereunder.

7. **FRINGE BENEFITS:** Because Contractor is engaged in its own independently established business, Contractor is not eligible for and shall not participate in any employee pension, health, or other fringe benefit plans of the City.

8. **WORKER'S COMPENSATION:** Contractor shall maintain in full force and effect worker's compensation and employer's liability insurance for Contractor and any agents, employees, and staff that Contractor may employ, and provide proof to the City of such coverage or that such worker's compensation insurance is not required under the circumstances.

9. **EQUIPMENT, TOOLS, MATERIALS, OR SUPPLIES:** Contractor shall supply, at its sole expense, all equipment, tools, materials, and/or supplies to accomplish the services to be provided herein.

10. **PROPRIETARY RIGHTS:** All data, materials, reports, maps, graphics, tables, memoranda, and other documents or products developed under this Agreement whether finished or not shall become the property of the City, shall be forwarded to the City at its request, and may be used by the City for any business or municipal purpose. The City agrees that if it uses products prepared by Contractor for purposes other than those intended in this Agreement, it does so at its sole risk.

11. **CONFIDENTIALITY:** Contractor agrees to maintain confidentiality of all work product produced under this Agreement, including both interim and draft, materials, reports, maps, graphics, tables, memoranda, and other documents unless and until the City signifies its written approval that such work product may be published as final work product subject to the public records laws of the state of Idaho. The City reserves the right to distribute the final work product as it sees fit provided that Contractor may use final reports as approved and adopted by the Ketchum City Council in the marketing of its firm.

12. **TERM OF AGREEMENT:** This Agreement shall commence as of the effective date specified in Section 27 and shall remain in effect for one (1) year unless terminated by either party as specified in Section 17.

13. **ENTIRE AGREEMENT:** This Agreement, along with any and all exhibits and appendix attached hereto and incorporated herein by reference, contains the entire agreement of the parties and supersedes any and all other agreements or understandings, oral or written, whether previous to the execution hereof or contemporaneous herewith.

14. **CHANGES:** The City reserves the right to makes changes from time to time in the scope of services to be performed hereunder. Such changes, including any increase or decrease in Contractor's compensation, which are mutually agreed upon by and between the City and Contractor, shall be incorporated in written amendments to this Agreement.

15. **AMENDMENTS:** This Agreement may be amended only in writing upon mutual agreement of both the City and Contractor.

16. **ASSIGNMENT:** It is expressly agreed and understood by the parties hereto that Contractor shall not have the right to assign, transfer, hypothecate, or sell any of its rights under this Agreement except upon the prior express written consent of the City.

17. **TERMINATION OF AGREEMENT:**

(a) **TERMINATION BY THE CITY:** The City reserves the right to terminate this Agreement at any time, for any reason, by giving at least fifteen (15) days' notice in writing to Contractor. If this Agreement is terminated by the City as provided herein, Contractor shall be paid for the work performed prior to termination, less payment or compensation previously made. Contractor shall also provide the City all products or works related to this Project generated to date of termination.

(b) **TERMINATION:** The obligation to provide further services under this Agreement may be terminated by Contractor upon thirty (30) days' written notice. Such termination shall be based upon substantial lack of performance by the City under the terms and conditions of this Agreement when said substantial lack of performance is through no fault of Contractor. If this Agreement is terminated by Contractor, Contractor shall be paid for services rendered and for reimbursable expenses incurred to the date of such termination.

18. **NOTICES:** Any and all notices required to be given by either of the parties hereto, unless otherwise stated in this Agreement, shall be in writing and be deemed communicated when mailed in the United States mail, certified, return receipt requested, addressed as follows:

To CITY: Suzanne Frick
City Administrator
City of Ketchum
PO Box 2315
Ketchum, ID 83340

To CONTRACTOR: Diann Craven
ClearDirection, LLC

19. **DISCRIMINATION PROHIBITED:** In performing the services required herein, Contractor agrees not to discriminate against any person on the basis of race, color, religion, sex, national origin or ancestry, age, or handicap. Violation of this section shall constitute a material breach of this Agreement and deemed grounds for cancellation, termination, or suspension of the Agreement by the City, in whole or in part, and may result in ineligibility for further work for the City.

20. **STANDARD OF SERVICE:** Contractor shall provide services as described in this Agreement. These services will be performed in accordance with generally accepted professional practices for the scope of this project. Contractor makes no other warranty either expressed or implied.

21. **INDEMNIFICATION:** Contractor agrees to indemnify, defend, and hold harmless the City and its officers, agents, employees and City Council from and against all claims, losses, actions, or judgments for damages or injury to persons or property arising out of or in connection with the act and/or any performances or activities of Contractor, Contractor's agents, employees, or representatives under this Agreement.

22. **INSURANCE:** Contractor agrees to obtain and keep in force during its acts under this Agreement a professional liability insurance policy in the minimum amount of \$500,000 which shall name and protect Contractor, all of Contractor's employees, and protect the City, its officers, agents, employees and City Council from and against any and all claims, losses, actions, and judgments for damages or injury to persons or property arising out of or in connection with the Contractor's acts. Contractor shall provide proof of coverage as set forth above to the City before commencing its performance as herein provided and shall require insurer to notify the City ten (10) days prior to cancellation of said policy.

Deliver certificates of insurance and endorsements required by this Article to:

City of Ketchum
Attn: Suzanne Frick, City Administrator
PO Box 2315
Ketchum, ID 83340
Telephone: (208) 727-5086

23. **NONWAIVER:** Failure of either party to exercise any of the rights under this Agreement or breach thereof shall not be deemed to be a waiver of such right or a waiver of any subsequent breach.

24. **APPLICABLE LAW:** Any dispute under this Agreement or related to this Agreement shall be decided in accordance with the laws of the state of Idaho.

25. **SEVERABILITY:** If any part of this Agreement is held unenforceable, the remaining portions of the Agreement will nevertheless remain in full force and effect.

26. **ATTORNEY FEES:** Should any litigation be commenced between the parties hereto concerning this Agreement, the prevailing party shall be entitled, in addition to any other relief as may be granted, to costs and reasonable Attorney fees as determined by a court of competent jurisdiction. This provision shall be deemed to be a separate contract between the parties and shall survive any default, termination, or forfeiture of this Agreement.

27. **EFFECTIVE DATE:** The effective date of this Agreement shall be the day this Agreement is signed by the City.

28. **SUCCESSORS IN INTEREST:** The provisions of this Agreement shall be binding upon and shall inure to the benefit of the parties hereby and their respective successors and assigns.

29. **MISCELLANEOUS:** Contractor has not been retained to supervise, direct, or have control over any contractor's work. Contractor specifically does not have authority over or responsibility for the means, methods, techniques, sequences, or procedures of construction selected by contractor(s) for safety precautions and programs to the work of contractor(s) or for any failure of contractor(s) to comply with laws, rules, regulations, ordinances, codes, or orders applicable to contractor(s) furnishing and performing their work. Accordingly, Contractor can neither guarantee the performance of the construction contracts by contractor(s) nor assume responsibility for the failure of contractor(s) to furnish and perform their work in accordance with the contract documents.

30. **CONFLICT OF INTEREST:** Contractor shall disclose any conflict of interest to the City that may arise or exists with any of Contractors current or former employers, clients, contractors or the like of or regarding any work, information, data, that may relate to any of the subject matter of the Assessment whether it is within the Contractor's scope of work or not. In the event a conflict of interest is identified, Contractor shall immediately disclose the conflict and the City may, in its sole discretion determine that this Agreement will terminate, or agree to measures to address the conflict and limit Contractor's scope of work to avoid the conflict. Failure to promptly disclose a conflict of interest constitutes Contractor's breach of this Agreement.

IN WITNESS WHEREOF, THE CITY and Contractor have executed this Agreement as of the effective date specified above.

CITY OF KETCHUM

CONTRACTOR

By: _____
Nina Jonas, Mayor

By: _____
Diann Craven

DATE: _____

DATE: _____

ATTEST:

By: _____
Sandy Cady
City Treasurer/Clerk

DATE: _____

PROCESS

RESEARCH, PLANNING, AND IMPLEMENTATION

OBJECTIVES:

- ◆ To understand and agree on a strategy direction to include clarity and planning around –
 - What do you want to create? What is your vision for the future of the organization? What is the continued legacy?
 - What is working and not working?
 - What is needed to create the desired collaboration between departments and improve communication?
- ◆ Determine strategy and make recommendations to support the following phases:

PHASE 1 ~ DELIVERABLES

1. Create a questionnaire that will support me in the interview process with your top executive team (approx. 8 individuals). Interviews will be in person and last 30 minutes each.
2. Present findings and recommendations to both Nina and Suzanne for discussion, buy-in, understanding areas of concerns, and how best to manage feedback.

PHASE 2 ~ DELIVERABLES

1. Facilitate initial vision setting meeting (approx. 2 hr.) with executive leadership.
 - Discuss objectives and commit to what shifts need to happen
 - Present draft of vision and commitments statement
 - Collect feedback
 - Listen to areas of concern and address
2. Facilitate follow up meeting with the goal of finalizing vision and commitments statement. Set foundation and manage expectations of what will be discussed and experienced at the Executive Staff Retreat.

PHASE 3 ~ DELIVERABLES

1. Design and conduct a 6 hour Executive Staff teambuilding work session/retreat to include:
 - Further discuss what is working and what is not
 - Discuss areas of what can be improved in the areas of communication and collaboration
 - Administer behavioral assessment (TBD) to better understand how personal styles enhance or undermine cooperation and communication with and from others
 - Create activity(s) to heighten learning from behavioral assessment results

- Understand and create consensus and commitment to what the City of Ketchum's departments heads want to create for the future
- Create agreed upon strategy for implementation and compliance
- Determine if there are any next steps for follow through
- Discuss and agree upon agenda for all staff meeting

PHASE 4 ~ DELIVERABLES

1. Design and conduct an all staff meeting to include:
 - Presentation of executive approved internal brand vision and commitment statements
 - Facilitate questions and answers between staff and department heads
 - Design and facilitate an ice breaker that fosters interaction between all staff. (This will likely be some kind of networking activity that will help them better understand what each person does and how collaboration and reaching out supports each other and makes everyone's job easier.

PHASE 5 ~ DELIVERABLES

1. Ongoing support - TBD

CLEAR DIRECTION RESPONSIBILITY AND ACTIONS:

Diann Craven of ClearDirection will facilitate all interviews, content design, and work session's delivery.

TIME FRAME:

- Phase 1 – 3 weeks
- Phase 2 – 3 weeks (completing 2 meetings total)
- Phase 3 – 1 week
- Phase 4 – 1 week
- Phase 5 – on going

BUDGET

Consulting Fees	Expenses	TOTAL
Phase 1	\$ 6000	\$6000
Phase 2	\$ 3750	\$3750
Phase 3	\$ 6000	\$6000
Phase 4	\$ 1500	\$1500
Phase 5	billed at \$375 per hour	
TOTAL	\$17,250	\$17,250+exp

*** Behavioral Assessment needs to be determined first then cost per application will be submitted for approval.