



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Kip Harkness

SUBJECT: SEE BELOW

DATE: January 24, 2019

Approved

D. DSYL

Date

1/24/19

SUBJECT: MASTER AGREEMENT FOR PLACEMENT SERVICES WITH FUSE CORPS

RECOMMENDATION

Adopt a resolution authorizing the City Manager to negotiate and execute a Master Agreement for Placement Services between the City of San José and FUSE Corps from July 1, 2019 through June 30, 2022 in an amount not to exceed \$950,000 per year, subject to City Council appropriation of funds.

OUTCOME

The execution of a FUSE Corps Master Agreement for placement of executive-level, seasoned, private sector professionals will support multiple FUSE Fellowships throughout the City. FUSE Fellowships have demonstrated an unparalleled return on investment to the City and delivery of significant public benefit for the people of San Jose. Execution of this Master Agreement dramatically reduces the time to acquire the top talent that will deliver a higher volume of collaborative and integrated solutions for approaching modern societal challenges in innovative and creative ways.

BACKGROUND

FUSE Fellowships are unique in their ability to attract high-level talent with hard-to-hire-for skills at low cost, and, in some cases, the City has benefited from turning these Fellowships into a pipeline to full-time City employment.

The City has contracted with FUSE since June 30, 2016, at a total cost of \$946,000. FUSE provides executive-level professionals to support the development of innovative programs and strategies to meet residents' needs, particularly when new technology and external partnerships

January 24, 2019

Subject: Master Agreement for Placement Services with FUSE Corps

Page 2

are involved. Including the current cohort, the City has partnered with seven FUSE Fellows, in the following City departments: the City Manager's Office of Civic Innovation, San José Public Library (SJPL), and San José Clean Energy. Collectively, Fellows bring an average of 20 years of work experience which the City benefits from at a significantly discounted rate compared to their prevailing private sector wages.

The FUSE Fellowships continue to demonstrate that outside talent can play a catalytic role in enabling the City to develop innovative programs and strategies that meet our residents' needs, particularly when new technology and external partnerships are involved. The City seeks to pursue a Master Services agreement to allow fellows to assist the City on important projects. Attachment A provides a detailed description of past and current projects.

The minimum requirements for these Fellowships include 15 years of professional experience in the relevant field, with a strong background in management consulting, strategic planning, and project management.

The Office of Employee Relations reviewed the project descriptions for the past FUSE Fellows and determined that there were no bargaining unit represented classifications that exclusively encompassed many of the duties.

The cost per 12-month Fellowship is \$150,000, which includes a \$90,000 stipend paid to each new Fellow by FUSE, and \$60,000 in fees to FUSE for national executive search, training, coaching and other program support.

Establishing a Master Agreement would enable the City of San José to leverage FUSE's strengths in recruiting executive-level talent from across the country to tackle some of San José's most important challenges.

ANALYSIS

FUSE Fellowships are unique in their ability to attract high-level talent with hard-to-hire-for skills at low cost. In some cases, the City has benefited from turning these fellowships into a pipeline to full-time employment with the City. FUSE Corps (FUSE) is a California nonprofit organization that specializes in recruiting, training and placing highly experienced executive-level professionals in local government agencies to deliver on strategic high impact projects over 12-month terms.

UNIQUE SERVICE JUSTIFICATION

FUSE provides a one-of-a-kind resource to local governments to tackle and implement innovative solutions through providing access to resources not acquired by any other means. The skills, talents, and experience of a FUSE Executive Fellow provide local governments with a distinct and exclusive combination of abilities that is only available through FUSE.

FUSE Fellows are placed into time-limited, project-specific roles which require a high degree of talent and experience over a short duration. Pursuing a Master Agreement meets the City's need to access FUSE's specialized recruitment in a condensed timeframe as is often needed for these types of projects. Recruiting a fellow in a condensed timeframe allows the City to be nimble, respond quickly, and take advantage of projects and opportunities with near-term deadlines.

A partnership with FUSE is designed to assign an experienced professional to research, design, build and implement a solution to a specific social challenge. Projects of this nature are not definable through typical government purchasing standards. Furthermore, they cannot be found through consulting services or temporary staffing agencies, as their final deliverables and products are discovered through the duration of the engagement.

Over the past seven years since the founding of FUSE as a 501(c)(3) nonprofit organization, the organization has invested considerable time and financial resources in the development of proprietary approaches to recruiting, training, coaching and supporting the Fellows who participate in our programs. FUSE has also developed a range of innovative approaches representing substantive intellectual property that is regarded as a key corporate asset and maintained by the organization's Board of Directors.

As such, a FUSE Corps Executive Fellowship is a unique service distributed exclusively by FUSE. No division of FUSE, nor any other company, makes a similar or competing product. FUSE recruits a unique talent pool of mid-career executives, generally from the private sector, to work with local governments to address the most pressing issues facing urban communities. This service must be purchased directly from FUSE by local government partners.

AGREEMENT DISCUSSION

A Master Agreement with FUSE would allow the City the flexibility to assign work for a Fellowship through Service Orders. Service Orders are written for a limited scope of work, with defined deliverables, tailored to the department's specific Fellowship project. Funds for each Service Order will be used from various sources depending on the project. Each Fellowship is paid for by the respective department which it is supporting, and requests to appropriate funds for future projects and Fellowships will be brought to the City Council as needed. Each Fellowship costs \$150,000 and covers a 12-month period.

TYPICAL PROGRAMMATIC SCOPE OF WORK

FUSE's program fee of \$150,000 per project is divided into two portions. To compensate Executive-Level Fellows over the course of the 12-month term, FUSE engages Fellows as independent contractors with an annual stipend of \$90,000. The remaining \$60,000 covers a range of programmatic activities including the recruitment, selection, orientation, coaching and support of each Fellow to ensure that all projects can achieve their full potential for impact. These activities include, but are not limited to:

Scoping

1. Helping to support the City's internal process to solicit, review, and select project proposals.
2. Conducting interviews with department leaders to develop detailed scopes of work for projects.
3. Drafting project descriptions and conducting rounds of edits with department leaders to finalize.
4. Supporting budget-related explorations and contract-related processes as necessary/requested.

Recruiting

5. Advertising roles through an array of job boards, associations, networks, and media channels.
6. Engaging various networks in the community and nationally to disseminate the opportunity.
7. Engaging in direct outreach through LinkedIn to encourage prospective candidates to apply.
8. Reviewing and grading all applications to determine their viability for progressing to next stages.

Selecting

9. Conducting detailed phone interviews with approximately half of all applications for each role.
10. Having senior staff conduct videoconference, follow-up interviews with promising candidates.
11. Running background checks and collecting reference data in order to screen finalists.
12. Coordinating logistics for 2-3 finalists to participate in in-person interviews with the specific City host department.
13. Attending in-person interviews to support briefing, logistics, debriefing, and decision-making.

Orientation

14. Helping to prepare host agencies to receive their Fellow by sharing prepared materials, conducting workshops, and communicating directly with hosts over several months.
15. Supporting host departments with on-boarding to ensure that fellows are setup for success.
16. Conducting a weeklong orientation to help prepare Fellows for their upcoming year of service. This event invites staff, board members, alumni, government partners, and guest speakers to deliver valuable content related to the nature of the Fellowship experience, orientation to working in government, change management practices, project management tools, human-centered design, rapid innovation, strengths-based leadership, adaptive leadership, and more. FUSE covers all the costs of travel, transportation, hotels, meals, training space, speaker fees, materials, and incidentals associated with this week of vital content.

On-Going Support

17. Conducting regular quarterly check-ins with Fellows and host departments over the course of the year to ensure that both parties feel that the partnership is succeeding and that the project is on-track to achieve its goals. Intervening as necessary with Fellows and hosts to address any issues.
18. Pairing each Fellow with an executive coach who will work with him/her throughout the year and covering the costs of ongoing coaching sessions for all Fellows.
19. Organizing a series of monthly webinars on topics selected by the Fellows to support continuing professional development, sharing, learning, and problem solving.
20. Facilitating peer-to-peer learning so Fellows can support each other in a community of practice.
21. Connecting Fellows with an array of cross-sector advisors who can help problem-solve issues.
22. Evaluating the success of each fellowship at the mid-year point by surveying hosts and Fellows, and analyzing data to determine how FUSE can best support hosts and Fellows going forward.
23. Running a two-day, mid-year meeting to reconvene all national Fellows in-person and to continue to support their success. This event invites staff, board members, alumni, government partners, and guest speakers to deliver valuable content related to the assessing the progress that Fellows have made to date, identifying obstacles that have hindered progress to date, developing strategies about how to make the second half of the year even more successful, planning for the long-term sustainability of project impact after the Fellowship concludes, and helping Fellows to plan their own paths post-Fellowship. FUSE covers all the costs of travel, transportation, hotels, meals, training space, speaker fees, materials, and incidentals associated with this gathering.
24. Evaluating final impact at the end of the year by interviewing host and Fellows to determine how the program can be improved upon in the coming years.
25. Supporting Fellow transitions into career opportunities after their Fellowships, ideally into other positions in the City whenever possible.

EVALUATION AND FOLLOW-UP

No further City Council action or follow-up is anticipated.

PUBLIC OUTREACH

This memorandum will be posted on the City's Council Agenda website for the February 5, 2019 Council Meeting.

HONORABLE MAYOR AND CITY COUNCIL

January 24, 2019

Subject: Master Agreement for Placement Services with FUSE Corps

Page 6

COORDINATION

This memorandum has been coordinated with the City Attorney's Office and the City Manager's Budget Office.

COMMISSION RECOMMENDATION/INPUT

This item does not have input from a board or commission.

COST SUMMARY / IMPLICATIONS

Funds will be used from various sources depending on the project. Each Fellowship is paid for by the respective department which it is supporting, and requests to appropriate funds for future projects and Fellowships will be brought to the City Council as needed.

CEQA

Not a Project, File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment.

/s/

KIP HARKNESS

Deputy City Manager

For questions, please contact Erica Garaffo, City Manager's Office, at (408) 535-8126.

ATTACHMENT A

Since June of 2016, the City has contracted with FUSE to support development of innovative programs and strategies. A summary of past projects and one on-going project are described in detail below.

Ensuring Broadband Digital Access And Inclusion For All Communities

Although San José currently has a 90 percent broadband connectivity rate among all residents, that number drops to just 70 percent among low-income residents. In an effort to identify digital needs and ensure that all residents have access to affordable online services, the City partnered with FUSE Fellow Dolan Beckel to develop a strategic plan to achieve broad digital inclusion that contributes to the city's larger economic, social equity and civic engagement goals.

Since being with the City, Dolan succeeded in securing \$500 million worth of private investment in broadband technologies, he developed a broadband and digital equity strategy, and he helped create a strategy to distribute 10,000 devices and four years of free internet for 10,000 San José high school students with a Sprint 1 Million Project Grant. Dolan's work has helped close the digital divide in the City and pushed San José to engage more proactively with telecom providers as it invests in staffing, policy changes, and infrastructure to influence telecom providers to advance San José's broadband digital infrastructure.

After completing his FUSE Fellowship, Dolan joined the city's Administration as the Director Office of Civic Innovation and Digital Strategy, Smart City Lead.

Expanding After-School and Summer Programs to Bolster Academic Achievement

The City of San José is working to expand after-school and summer learning opportunities for young children from low-income families to help them compete in the City's competitive economy. To support this work, FUSE Executive Fellow Lauren Hancock worked with SJPL to help bolster high quality, learner-centered experiences out of the classroom.

Lauren launched a technology-based platform for San José families to discover thousands of out-of-school activities, both at the library and in their communities. She also worked to deepen strategic partnerships with key community-based organizations, including the YMCA and the city's Department of Parks, Recreation, and Neighborhood Services. During her Fellowship year, Lauren secured over \$1 million to support the initiative, trained ten library staff, created four new pilot programs and served over 1,200 residents. With this comprehensive map of out-of-school learning opportunities and renewed community partnerships, SJPL is better able to track the impact of its educational programs in the community and develop programs that fill existing gaps, reduce overlap, and maximize library resources that will benefit more kids.

Lauren began as a one-year FUSE Fellow, but after evaluating her important work the SJPL and City Council extended Lauren as a second year FUSE Executive Advisor where she continues to serve.

Defining a Citywide Internet of Things Strategy

San José's one million-plus population is expected to grow by nearly 50 percent over the next two decades. To prepare for this dramatic growth, the Civic Innovation team in the City Manager's Office developed its first ever city-wide Internet of Things (IoT) Strategy to build a modern digital infrastructure that is innovative, safe, effective, and efficient. The agency partnered with FUSE Executive Fellow Keshav Gupta to develop a comprehensive, long-term strategy for this effort, and to help implement pilot projects that test the new approaches.

Keshav benchmarked the application of Smart City solutions in more than a dozen cities across the globe, and formulated a strategy to ensure that the IoT solutions around traffic congestion and fleet management, energy efficiency, water conservation, and public safety road maintenance, among other areas, address the real needs of the community. He developed a set of eight principles to guide the City's deployment of IoT, including the need to protect safety and privacy, leverage data and analytics, and establish a culture of collaboration and continuous learning. Keshav is also leading the development of public-private partnerships to test and scale proposed IoT solutions. These efforts are helping to lay the foundation for an enduring, community-centered Smart City IoT infrastructure in San José.

After completing his FUSE Fellowship, Keshav joined the Office of Civic Innovation and Digital Strategy, serving as IoT Lead.

Creating an Economic and Workforce Development Hub

The SJPL wanted to create an economic and workforce development hub, SJPL Works, which offers support to employment seekers, small business owners and entrepreneurs.

FUSE Fellow Nick Almeida helped develop a focused strategy for growing SJPL Works, creating partnerships and reaching potential users. During Nick's Fellowship, the center has become a central hub for community partners to provide programs like job fairs for both job seekers and small business owners. It also offers career development services, including workshops to write cover letters and prepare for interviews for job seekers. And for burgeoning businesses, the center provides guidance for developing strategic plans and for how to start a new business within the city. The center is not just about job placement, but also a place to connect residents to industries that lead to lucrative career paths, such as manufacturing and technology. Nick's efforts have had a significant impact on the lives of many San José residents who have utilized and benefited from the program.

Since completing his FUSE Fellowship, Nick joined Mayor Llicardo's Administration as the Chief Service Officer for the City of San José.

Creating a Bridge to Bring Private Sector Talent to San José City Government

Jeremy Goldberg led the City of San José's efforts to implement the TalentBridge program. Jeremy led the development of San José's first public/private partnership to bring pro-bono talent from city companies to make city services more effective for residents – a program called the Silicon Valley Talent Partnership (SVTP). SVTP projects included building a web-based

business permitting and licensing website and building a financial plan for San José's parks. He developed a strategic plan for SVTP that created 4-5 strategic projects in its first year and brought over 20 pro-bono corporate professionals to the program. Jeremy has remained in working in the public sector, he is now serving as Deputy Chief Technology officer for New York City.

In addition to the five past projects, the City of San José is also currently hosting a fellow who began their year of service in September 2018:

Establishing Community-Based Clean Energy Programs

San José is working to create a clean-energy program that includes plans to offer options to residents and businesses at competitive rates. The city hopes its program will benefit all members of the community by creating local jobs and promoting economic growth, with the ultimate objective to meet the city's climate-action goals within five to 10 years.

FUSE Executive Fellow Kevin Meehan will partner with San José Clean Energy and lead the development of the program, providing a comprehensive outline of potential clean-energy choices for the community. He will help define goals, and identify and evaluate various clean-energy options. Based on feedback from community stakeholders, Kevin will determine which programs might be considered most valuable to businesses and residents. He will design an implementation plan and potentially help pilot the program, which the city hopes will benefit the entire community.