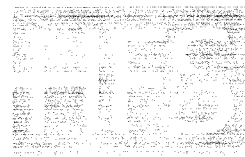


Agenda Item No. 4. C

Board of Directors Meeting

Date 10-15-08



September 28, 2008

Board of Directors  
Sequoia Healthcare District  
Redwood City, CA  
VIA Email

**RE: Executive Director Search Proposal for Sequoia Healthcare District**

Dear Board Members:

Thank you for the opportunity to present information on how **HFS Consultants (HFS)** can assist you in the search and recruitment of an Executive Director for the Sequoia Healthcare District. This executive will play an important role in the future success of your organization. It is critical that we find the right person for this position.

Performing a search for the Executive Director of the Sequoia Healthcare District position is a complex and important assignment. We will give you a very brief description of the process:

- The information and background we have gathered from our research is tremendously valuable. We would also appreciate any copy of the current or any past job descriptions for this or similar positions. The most helpful will be individual or a group meeting with Board members. After these meetings and phone calls or additional meetings with appropriate individuals and possibly groups, HFS will create a job profile that outlines the duties, responsibilities, experience and characteristics for potential candidates. We will provide you with a draft for approval shortly after we complete our "start up" meetings. This document will be a cornerstone of our recruiting process and will also provide candidates with information on the District and community.
- We plan a primarily local and regional search. We will target a variety of sources including, among others, key executives in health care and other appropriate industries, professional colleagues, and candidates identified from our database or research. We will also rely on industry contacts, nationally and regionally, to ensure a successful search. While some potential candidates may be actively seeking employment, most are currently employed in high-level positions. Our goal is to identify candidates whose leadership style and accomplishments reflect your organization's needs.
- We will contact, phone screen, and, if appropriate, interview each potential candidate. We will also conduct the reference checks. As appropriate candidates are developed, they will be interviewed by the Board and a finalist(s) chosen. We will help facilitate these meetings if you wish. We can also help with the offer and negotiations with the successful candidate. A

Executive Director Proposal for Sequoia Healthcare District  
September 28, 2008

search like this typically takes between 60 to 120 days. We will make every effort to expedite the process, but our main concern will be finding the best candidate.

- Our search approach and philosophy emphasizes professionalism and respect for both our clients and candidates. We know from our experience that candidates are more likely to consider opportunities when they are treated with respect, honesty, confidentiality, and warmth.
- Don Whiteside will lead and manage this search. Jerry Anderson, Joy Spodick and other members of our staff will be important team members. The contact and recruiting work will be performed by high level senior executives and not assigned to junior staff. This will benefit your organization by increasing the responsiveness of potential candidates.

This is a very brief summary of the activities involved in a search of this type. Please let me know if you have questions, suggestions, or requests. I would be happy to elaborate or explain further.

HFS will have an exclusive search agreement for this search. All candidates whether internal, "walk-in" / self referred, or generated by other sources, will be referred to us for interview and evaluation.

The normal retained search fee for a recruitment of this type is based on first year compensation for the successful candidate, including base salary and bonus. Since Sequoia Healthcare District may chose to hire a part-time Executive Director, we have agreed to base the fees for this engagement on the estimated time of a similar full time search. This equates to a professional search fee of \$45,000, plus expenses.

HFS Consultants guarantees the placement of the successful candidate for a period of twelve months from his/her start date. If a candidate is released by the client company for performance-related issues during the first 12 months of his/her employment, HFS will conduct a new search to replace the candidate for no additional retainer (charging only expenses as incurred). This excludes candidates who are released for reasons other than job performance, such as a change in ownership, organizational realignment and restructuring.

You will be billed in three (3) installments: the first when we begin, the second 30 days later, and the third, 30 days after that. We charge an expense fee to cover our cost of mailings, copying, and phone charges, prorated on the number of consultant's hours spent on this engagement. We list each recruitment on [www.Monster.com](http://www.Monster.com). There is a pro-rated fee of \$500 for this listing. We have also found a listing on [Craigslis.com](http://Craigslis.com) helpful for this type of search. The fee for this is \$75. If we, with your approval, decide to advertise, purchase special mail or email lists, or incur other unusual expenses, you will be billed for these. Direct expenses, such as travel or lodging for candidates or staff, FedEx, etc. will be submitted directly to you for reimbursement, rather than billed in advance as "estimated expenses". The attached "Standard Terms and Conditions" are an integral part of this agreement.

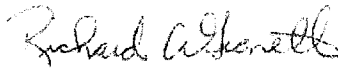
Executive Director Proposal for Sequoia Healthcare District  
September 28, 2008

We look forward to working with you and your team on this critically important assignment. We promise to give it our best effort and keep you and your staff informed of our progress and activities. If this is acceptable, please indicate below with your signature and return one copy of this letter. If you have any questions or suggestions, please let me know.

Best Regards,

**HFS CONSULTANTS**

  
Donald J. Whiteside  
Managing Director, Client Services and Executive Search

  
Rich Gianello  
President

Accepted:

\_\_\_\_\_  
Kathleen Kane  
Chair, Sequoia Healthcare District Board

\_\_\_\_\_  
Date

Attached: Terms and Conditions

**OTHER TERMS AND CONDITIONS**

**1. Independent Contractor.** HFS shall be deemed at all times to be an independent contractor. Nothing in this agreement shall be construed as creating an employment relationship between the client and HFS. Any terms in this agreement referring to direction from the client shall be construed as providing for direction as to policy and the result of HFS' work only, and not to the means by which such a result is obtained.

**2. At Will.** The client and HFS shall each have the option to terminate this agreement at any time without cause given 30 days advance notice. Either party may exercise this option by giving the other party written notice of termination by US mail, facsimile or overnight delivery service. The notice shall specify the date on which termination shall become effective with a minimum of 30 calendar days after receipt of the notice of termination.

**3. Collection Costs.** The client shall be responsible for any expenses (including attorneys' fees and court costs) incurred by HFS in collecting its fees or expenses billed pursuant to this contract, whether or not legal action is instituted.

**4. Arbitration.** The parties agree that any dispute arising in connection with this Agreement shall be resolved by arbitration conducted in Alameda County, California in accordance with the commercial arbitration rules of the American Arbitration Association. The prevailing party in such arbitration shall be entitled to an award of reasonable attorneys' fees and costs of arbitration.

**5. Hiring of HFS Personnel.** If any personnel provided by HFS becomes an employee of, or an independent contractor to, the client or any affiliated entity from the date of this letter until one year after the termination of the engagement, the client will pay HFS a referral fee of \$35,000 or 40% of the first year annual gross salary or professional fees the client pays, whichever is greater.

**6. General Provisions.** This Agreement constitutes the entire understanding of the parties with regard to the subject matter hereof, and supersedes all prior and contemporaneous agreements and understandings. This Agreement may only be amended by a written agreement signed by both parties. This Agreement shall be binding on, and inure to the benefit of, the parties and their successors and assignees. This Agreement may be executed in counterparts, by signatures transmitted by telecopy, each of which shall be deemed an original, and which together shall constitute one and the same agreement. California law (without regard to conflicts of law) shall govern the interpretation and enforcement of the Agreement. This Agreement has been approved by the client's governing body, and is signed by a duly authorized officer.

**7. Indemnification from Costs of Subpoenas.** Any services we perform at the client's request or are compelled to perform relating to any subpoena, summons or other legally-binding demand (e.g., serving as a witness or providing documents in an investigation) will be billed at our standard hourly rates plus expenses including, where applicable, any copying and attorney fees and expenses.

**8. Interest.** Bills for professional fees and expenses are payable within 30 days of receipt by the client. All amounts unpaid after 90 days shall accrue interest at the rate of 1.5% per month (18% per year) from the invoice date.

**9. HIPAA.** HFS shall abide by all laws, regulations and directives of the Health Insurance Portability and Accountability Act of 1996 (HIPAA) as it pertains to services performed by HFS and information received by HFS from client pursuant to this agreement. Since HFS may, in the course of performing services under this agreement, receive protected health information from client, HFS will be deemed a Business Associate of the client. HFS will sign and execute a Business Associate agreement with the client and will conform thereto.

**10. Intellectual Property.** Any and all forms, reports, designs, training presentations and other materials prepared by HFS Consultants for the client shall be used by the client only for its own internal uses and shall not be divulged to any other party without written consent of HFS. HFS reserves all other rights and interests in these materials.