Section 5: Fees and Expenses

- **Professional Fees**: Our professional fees are usually based on one-third of the total first year’s cash compensation with a minimum fee of $55,000. Total compensation is defined as base salary, plus any paid or deferred extra compensation items earned in the first twelve months of employment, such as incentive cash bonus and signing bonus, not related to relocation costs. After the completion of the assignment, should the actual compensation differ from the initial estimate we would adjust the professional fee and engagement support portions of our final invoice accordingly. However, given the fiscal constraints currently impacting higher education and our strong desire to work with the Nevada System of Higher Education and its institutions, we are also willing to provide two additional options:

  - Option #1: Fixed fee/Flat-fee rate – This is a previously agreed upon fee to conduct the search regardless of the total amount of the placement’s final compensation package.
  
  - Option #2: Capped fee rate – This option provides an opportunity for the client to limit (cap) the maximum amount of the overall professional fee (to a specified “not-to-exceed” amount).

We are open to discussing the fee structure and designing a plan that will work with your budget.

- **Indirect Expenses/Engagement Support Fee**: To cover other more difficult-to-track expenses such as research, initial background checks, postage and internal telephone, fax, photocopying, and basic report production, we charge an Indirect Expenses/Engagement Support fee. Our Indirect Expenses/Engagement Support fees are equal to 12% of the professional fee. These charges are in addition to the Professional Fee.

- **Out-of-Pocket Expenses**: Our expenses are billed separately for consultant and candidate travel (transportation, meals, lodging, etc.), cellular phone, advertising, professional printing services for extensive report production, and courier services. All expenses are fully reimbursable, billed at cost (including taxes), and pro-rated whenever possible. We will work with the committee to develop a budget, contain costs and conduct the assignment in the most cost effective manner without compromising the quality or thoroughness of our work.
Section 5: Fees and Expenses (continued)

- **Advertising Costs:** Advertising costs vary depending on the size of the ad, the number of publications, and the number of times the ad appears in each publication. All costs associated with advertising the position will be the responsibility of the client however, we will assist in placing the advertisements.

- **Candidate Travel Expenses:** The amount spent on candidate travel is dependent on the number of candidates the committee chooses to interview, the number of interviews required, and the geographic proximity of each candidate. All costs associated with candidate travel will be the responsibility of the client.

- **Consultant Travel Expenses:** The lead consultant will travel to meet with the Search Committee throughout the search process. It is our standard practice to contain costs as much as possible, therefore, the consultant will seek the committee chair's approval prior to traveling on the organization's behalf.

- **Background Investigations:** As described in the Search Strategy section of this proposal, we would employ the services of FRASCO Profiles, Inc. to conduct in-depth background checks on all finalist candidates. Due to the various options available in conducting thorough background investigations (criminal record, DMV record, sexual offender record, credit check, etc.), the cost to conduct background investigations (beyond reference checking) will vary per candidate. As part of our services, we will discuss all options and associated costs with you prior to initiating background investigations on each finalist. Storbeck/Pimentel & Associates will initiate background investigations but the client will be responsible for the costs incurred. On average, the cost of a background investigation is $300.00 – $500.00 per candidate.

- **Assignment Cancellation:** You have the right to cancel any assignment at any time. If you decide to cancel the search you will only be financially obligated to pay the accrued fees and expenses as of the cancellation date. The only exception is that a cancellation during the first month of the search incurs an obligation of one installment of both the professional fee and engagement support fee plus all out-of-pocket expenses.
Section 5: Fees and Expenses (continued)

- **Invoicing:** Our professional fee is billed over the first three months of the assignment. Bills are due and payable upon receipt. Our fees and expenses are not contingent upon our success in placing a candidate with your organization. Interim fee payments are not refundable, but are credited toward the total fee due. Once the fee has been fully invoiced, no further professional fees will be billed until the assignment has been concluded. Expenses however, will continue to be billed on a monthly basis.

- **Guarantee:** If a candidate we place leaves your employ within twelve months of his/her start date, we will reinitiate, for expenses (engagement support and out-of-pocket expenses) only, a search for the same position and level as the original placement. A new professional fee will not be charged for this assignment provided: (1) the placement’s departure is for cause, or the result of his or her inability to perform responsibilities or (2) the placement resigns, unless the focus of the job has changed such that the responsibilities or authority of the position are significantly different than represented at time of hiring. The client is entitled to only one replacement search and the search must be initiated immediately following the departure of the placement.