

September 2024

Human Development Commission

Request for proposal for wage comparability study and compensation analysis,
including a review of employee benefit offerings

Inquiries and proposals should be directed to:

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Human Development Commission

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989-673-4121 Ext. 1729

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General information

A. Purpose

This request for proposal (RFP) is to contract for the development of a compensation program to give Human Development Commission better control over salary expenditures and help maintain a proper balance in the relationship between pay levels and the relative value of jobs within Human Development Commission and the labor market. The selected offeror will render professional consulting services and assist in providing competitive and equitable base compensation pay practices aligned with Human Development Commission's goals and objectives.

B. Who may respond

- Only qualified organizations with experience and expertise in conducting wage comparability studies for nonprofits, government or educational institutions may respond to this RFP.

C. Instructions on proposal submission

1. **Closing date for proposal submissions:** Proposals must be submitted no later than 4:30 p.m. Eastern Standard Time on *October 17, 2024*. It is the responsibility of the offeror to ensure the proposal is received by Human Development Commission by the date and time specified. Late proposals will not be considered.
2. **Questions:**
 - A. Inquiries concerning this RFP should be directed to the contact on the cover page. Offerors may direct questions via email, phone or meeting request.
3. **Instructions for submission:** Proposals must be submitted electronically to the following email address: lorio@hdc-caro.org. "Human Development Commission RFP – For Wage Comparability Study" should be included in the subject line of electronic submissions.
4. **Conditions of proposal:** All costs incurred in the preparation of a proposal responding to this RFP will be the responsibility of the offeror and will not be reimbursed by Human Development Commission.
5. **Right to reject:** Human Development Commission reserves the right to reject any and all proposals received in response to this RFP. A contract for the accepted proposal will be based on the factors described in this RFP.
6. **Presentations:** At the discretion of Human Development Commission, offerors submitting proposals may be requested to make oral presentations as part of the evaluation process. Presentations may be delivered in person or via teleconference. Reasonable advance notice will be provided to selected offerors. Not all offerors submitting a proposal will be asked to participate in oral presentations.

Important Dates:

- | | |
|---------------------------------------|--------------------------------------|
| • Deadline for submitting questions | September 19, 2024 4:30 p.m. Eastern |
| • RFP responses due | October 17, 2024 4:30 p.m. Eastern |
| • Notification of award | November 4, 2024 4:30 p.m. Eastern |
| • Anticipated project completion date | February 28, 2025 |

7. Notification of award:

- a. It is expected a decision about selection of the successful offeror will be made within two weeks of the closing date for the receipt of proposals.
- b. Upon conclusion of final negotiations with the successful offer, all offerors submitting proposals in response to this RFP will be informed, in writing, of the name of the successful offeror.

D. Description of organization

Human Development Commission is a nonprofit organization serving the counties of Huron, Lapeer, Sanilac, and Tuscola Counties in the State of Michigan. Human Development Commission is a private, nonprofit corporation and has been determined to be exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. It is governed by a 12-member volunteer board of directors. Offices are located throughout the following counties: Huron, Lapeer, Sanilac, and Tuscola.

Human Development Commission believes in the value of each employee, and we believe our compensation both in wages and benefits should reflect that value. We have worked very hard over the last 14 years to build pay equity and parity across the entire agency. We are seeking an outside entity with expertise in this area to review our current pay/benefits and offer solutions to assist HDC in developing a written pay structure and ensure our benefits and pay structure incorporate that philosophy.

Human Development Commission has 129 full-time employees and 9 part-time employees, for a total of 138 employees.

Human Development Commission's annual funding/operating budget, based on June 2024 federal awards, is \$16,498,433.05.

Currently, Human Development Commission has 60 job titles with supporting job descriptions for utilization in the wage comparability study and compensation analysis.

The following is a list of current benefits offered to Human Development Commission employees:

(Note to organization: select from below and customize as needed)

- *(Paid time off)*
- *(Health insurance) ✓*

- *(Short-term disability insurance) ✓*
- *(Retirement contributions) 403B*
- *Career Development*

Voluntary Insurance available for purchase by employee:

- *Long-Term disability Insurance*
- *Life Insurance*
- *Dental Insurance*
- *Vision Insurance*
- *AFLAC Insurances:*
 - *Cancer Insurance*
 - *Accident Insurance*
 - *Specified Health Insurance*

Specification schedule

A. Scope of services

Based upon our needs, and the inclusion of up to three positions, we request the following scope and approach:

- Hold a project kick-off call to discuss Human Development Commission process and approach, answer questions, identify any concerns with current compensation practices, and explore various compensation philosophies to support Human Development Commission goals and objectives.
- Request information about Human Development Commission to provide an understanding of the positions, organizational structure, compensation philosophy, and current compensation structure.
- Engage in consultative discussions with Human Development Commission to share best practices and assist in addressing concerns and questions on base compensation administration through the course of project meetings.
- Compensation philosophy
 - Provide a draft of a formal compensation philosophy for consideration if one does not currently exist.
- Use the existing job descriptions as the basis for the analysis. It is important the job descriptions are an accurate reflection of roles and responsibilities.
- Conduct a Fair Labor Standards Act (FLSA) exemption status review and identify positions that may need to have the status (exempt/non-exempt) changed.
- Internal equity analysis
 - Conduct an independent internal equity analysis for each position using the point factor method to determine the relative value of each position. Review preliminary findings with Human Development Commission and adjust as necessary to reflect internal conditions and finalize.

- Conduct a local (Thumb and contiguous counties) competitive pay analysis using market salary data to determine external pay equity of the positions in the study/analysis utilizing the job descriptions Human Development Commission provides. Create a competitive pay analysis worksheet for each benchmark position.
- Base compensation structure:
 - Update the current base compensation structure following widely accepted compensation methodology using the competitive pay analysis worksheets to group similarly valued jobs. Propose pay ranges based on internal and external equity considerations. Pay ranges will be comprised of a series of overlapping ranges with an established minimum, midpoint and maximum. Review with you to determine the most appropriate structure. Modify as appropriate to finalize.
- Perform a comparative ratio analysis to illustrate impact to employees and evaluate how current pay practices align with the newly created ranges. Identify budgetary implications of bringing all employees within range.
- Evaluate and discuss positions and/or employees falling outside of the newly created ranges, wage compression, and other potential concerns. Explore options for responding to these situations.
- Conduct a wage compression analysis to release compression using key wage differentiation metrics important to Human Development Commission. For example, performance or length of service. Identify budgetary implications of releasing compression.
- Develop an additional base compensation structure forecasted to Human Development Commission's specifications (e.g., 5–10-year projection), projecting the financial impact of annual salary structure updates and employee wage increases year-over-year for specified period and related budgetary implications.
- Administrative base compensation guide template
 - Provide an administrative base compensation guide template with sample guidelines and procedures Human Development Commission can customize to reflect pay practices when administering and maintaining the base compensation plan.
- Utilize published reputable local benefits survey data to provide a high-level review of traditional benefit offerings and a summary of market trends. Illustrate opportunities to modify and/or enhance benefit offerings to remain competitive in the market. The benefit categories compared include insured benefits (health, dental, life, etc.), paid time off practices (vacation, holiday, sick/disability, etc.), and retirement saving options.
- Prepare a written report summarizing your process, findings, recommendations, and resulting documentation.
- Present the final report to HDC upon request. This presentation should include an overview of your process, findings, recommendations, and resulting documentation. Human Development Commission anticipates this presentation to be held within two weeks of the final report being issued.

B. Other service options

At the discretion of Human Development Commission, this engagement can be extended to include bids for the following additional services:

- Job description updates, including title consolidation
- Performance management process evaluation
- Organizational structure assessment
- Talent assessment

C. Delivery schedule

- Upon award notice and acceptance of engagement, we will initiate discussions with the offeror to develop a comprehensive timeline and will provide a materials request describing the information needed for the project.

D. Pricing

The offeror's proposed price for services should include a not-to-exceed total fee. Any out-of-pocket expenses should also be indicated.

E. Payment

Payment terms will be outlined in the contract for services.

F. Confidentiality

The offeror agrees to keep the information related to all contracts in strict confidence. Other than the reports submitted to Human Development Commission, the offeror agrees not to publish, reproduce or otherwise divulge such information in whole or in part, in any manner or form, or authorize or permit others to do so, taking such reasonable measures as are necessary to restrict access to the information, while in the offeror's possession, to those employees on the offeror's staff who must have the information on a "need to know" basis.

The offeror agrees to immediately notify, in writing, Human Development Commission's authorized representative in the event the offeror determines or has reason to suspect a breach of this requirement.

Technical qualifications

The offeror, in its proposal, shall, as a minimum, include the following:

A. Understanding our needs

The offeror should describe the current challenges and opportunities specific to our organization. Offeror to describe how they are best suited to assist our organization in facing those challenges and opportunities moving forward.

B. Understanding the scope of work

The offeror should clearly describe the scope of work to be performed in alignment with this RFP.

C. Understanding our industry

The offeror should describe its understanding of our industry by providing specific industry knowledge and expertise, including:

1. Prior experience working with nonprofit organizations.
2. Prior experience consulting with organizations similar to Human Development Commission.
3. Prior experience providing other services to organizations similar to Human Development Commission.

D. Engagement team

The offeror should briefly describe the qualifications of staff to be assigned to the engagement.

Descriptions should include:

1. Consulting team makeup.
2. Prior experience of the individual team members; team bios should include education and position.

E. Organization, size and structure

The offeror should describe its organization, size (in relation to work to be performed) and structure.

Description should include:

1. Size of the offeror, including number of employees.
2. Explanation of independence.
3. Any conflicts of interest that exist.

F. Approach to the engagement

The offeror should describe its approach to the work to be performed.

Proposal evaluation

A. Nonresponsive proposals

Proposals may be judged nonresponsive and removed from further consideration if any of the following occur:

1. The proposal is not received in a timely manner in accordance with the terms of this RFP.
2. The proposal is not adequate to form a judgment by the reviewers in which the proposed undertaking would comply with requested work.

B. Proposal evaluation

Evaluation of each proposal will be scored on the following six factors.

	Point range
1. Understanding our needs	0-5
a. Understanding our current challenges and opportunities	
b. Offeror's approach to addressing our challenges	
2. Understanding our industry	0-20
a. Prior experience working with nonprofit organizations	
b. Prior experience consulting with organizations similar to Human Development Commission	
c. Prior experience providing other services to organizations similar to Human Development Commission	
3. Organization, size and structure of offeror	0-5
a. Adequate size of the offeror	
b. Expertise within the nonprofit sector	
4. Qualifications of staff to be assigned to the project.	0-20
This will be determined from the resumes/professional profiles submitted.	
5. Offeror's approach to the engagement	0-30
a. Uses comprehensive methodology	
b. Utilizes diverse set of data sources	
c. Leverages local, regional and national compensation information	
d. Aligns market rates more specifically to Human Development Commission	
e. Collaborates with key leadership to achieve the desired outcomes	
f. Creates realistic engagement timetable	
6. Price	0-20
Maximum points	100

C. Review process

Human Development Commission may, at its discretion, request presentations by or meetings with any or all offerors to clarify or negotiate modifications to the offerors' proposals.

However, Human Development Commission reserves the right to make an award without further discussion of the proposals submitted. Therefore, proposals should be submitted initially on the most favorable terms, from both technical and price standpoints, the offeror can propose.

Human Development Commission contemplates award of the contract to the responsible offeror with the highest total points.

Appendix

Human Development Commission

Total points will be calculated from each board member, providing a total point value for each responding offeror. The offeror, meeting all of the outlined criteria, also accumulates the highest total point value will be awarded the contract.

Proposal evaluation	Point range	Points earned
Understanding our needs Understanding our current challenges and opportunities Offeror's approach to addressing our challenges	0-5	
Understanding our industry Prior experience working with nonprofit organizations Prior experience and consulting with organizations similar to Human Development Commission Prior experience providing other services to organizations similar to Human Development Commission	0-20	
Organization, size and structure of offeror Adequate size of the offeror Expertise with nonprofit sector	0-5	
Qualifications of staff to be assigned to the project Experience of the individual consulting team members	0-20	
Offeror's approach to the engagement Comprehensive methodology Utilizes diverse set of data sources Leverages local, regional and national compensation information Aligns market rates more specifically to Human Development Commission Collaborates with key leadership to achieve the desired outcomes Realistic timetable	0-30	
Price	0-20	
Total points	0-100	

