

**State of Delaware
Department of Human Resources**

June 6, 2018

TO: ALL OFFERORS

FROM: COURTNEY MCCARTY
STATE CONTRACT PROCUREMENT SUPERVISOR,
GOVERNMENT SUPPORT SERVICES

SUBJECT: ADDENDUM TO REQUEST FOR PROPOSALS FOR PROFESSIONAL
SERVICES -- CONTRACT NO. DHR18001-COMP_STDY,
DHR COMPREHENSIVE STUDY

ADDENDUM #1

The purpose of this Addendum is to record attendance from the pre-bid meeting, recap the pre-bid meeting clarifications provided and answer questions received regarding the solicitation.

PRE-BID ATTENDANCE

Firm	Representative(s)
Mercer	Steven Mork, Leila Vamo, Gail Greenfield
C Evans Consulting	Bernadette Dawson, Joyce Ceconi
Willis Towers Watson	Brad Messinger, Kevin Fyock, Theresa Lynch
The Segal Group	Patrice Glasthal, Madeline Kirsch
T.H. Easter Consulting	Terri Easter, Gina Edwards, Gretchen Easter
Pinnacle Human Resources LLC	Taknika Mickey
Institute for Womens' Policy Research	Jeff Hayes
The Maglietta Group LLC	Rosemarie Maglietta, Paulette Bree
C. Davis Associates	Helen Charles
Strongpoint Research	Jim Donohue, Zachary Bickel
Edgecombe Group LLC	MaryAnn Genovese
State of Delaware, GSS	Courtney McCarty
State of Delaware, DHR	Toni Gillis, Lisa Allison, Amber Hall, Abbey Feierstein

PRE-BID MEETING CLARIFICATIONS

Good Morning, My name is Toni Gillis and I am the Compensation Manager for the State of Delaware, with me are Lisa Allison the Classification and Compensation Administrator, Amber Hall the Classification Manager and Abbey Feierstein Subject Matter Expert and assistant to Lisa Allison. Today's meeting is on the Proposal for Professional Service, DHR comprehensive study of compensation, classification, benefits, gender and race/ethnicity equity, issued by the Department of Human Resources, DHR18001-COMP_STDY.

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Since this is a mandatory pre-bid meeting, we will be taking role call now. When I state your phone # provide the names, titles and company of all parties on the call at your location. I'd like to ask that all phones be put on mute, not on hold, during the course of this call.

The purpose of the call today is to help bidders understand the reason for the requirements.

This will not be a question and answer meeting. All questions should be submitted as described in the RFP Section Roman Numeral IV.B.15a by May 30, 2018.

We will be referring to sections of the RFP displayed on the Delaware Government Support Services, Contracting website @ <http://bids.delaware.gov/> [DHR Comprehensive Study](#)

We will get started.

Per the criteria weight IV.C.2, pg 13, we want to draw your attention to the criteria to be evaluated, in particular, in the first box we are looking for a detailed timeline outlining how the company will meet the deadlines and identify the deliverables. In the second box we are specifically looking for your recommendations for an appropriate labor market, an appropriate number of benchmark classes, and explanation of the logic used to determine both. Last under fourth box, we are looking for an understanding of the trends and issues in compensation, classification, benefits, and diversity and inclusion.

Scope of Work and Technical Requirement Page 41

This study is two-fold. Part I is applying our current methodology using the 50% payline and part II is looking at best business practices for future consideration.

Part I – Applying the State's current compensation methodology

- a. In (a) we are looking for a recommendation in order to identify how much we would need to adjust our pay grade midpoints in order to maintain a 50% payline based upon the approved labor market and number of benchmark classes. (A structural adjustment)
- b. Based on the results of (a), look at State and federal poverty thresholds to determine if pay grade minimums need further adjustments (objective is not to pay people below the State and Federal Poverty thresholds)
- c. In (c) we are looking to compare the average wages for our benchmark classes to the approved labor market and receive a recommendation for appropriate wage adjustments.
- d. In (d) the vendor is to determine the value of our benefit package to apply the factor to determine total compensation.
- e. We are comparing the pay plan and benefits to the market, based on total compensation, would there be a different recommendation for a structural adjustments to maintain a 50% payline, different from the recommendation in (a).
- f. We are comparing the average wages and benefits to the market, based on total compensation, would there be a different recommendation different from the recommendation in (c).

G and H are self-explanatory

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Part 2 – is a review of our current business practices. We are looking for strategic recommendation on how to move forward applying best business practices in Classification, Compensation and Equity (gender, race, and ethnicity).

Part 2, Number 2, Compensation, Page 42

Look at our various plans to addresses recruitment and retention issues, premium pays and salary compression.

- b) The vendor needs to address the various compensation plans utilized by the State for classes experiencing retention and vacancy issues. Determine appropriateness and alternatives. And identify any additional job classifications not currently considered.
- c) The State wants to understand how our special pays compare to the market
- d) The State wants the vendor to provide ways to address pay compression.

Part 2 Number 3 Classification

Look at our methodology and processes. We need a strategy to review 1000 job classes.

Self explanatory

Part 2, Number 4 Equity

Look at removing any barriers in job requirements and job specifications by removing any barriers based on gender, race and ethnicity to include a study of job segregation, removal of invisible barriers and comparable worth.

The State wants all data cross tabulated – not just generic male/female, race/ethnicity but also by every variation.

In completing Section 4 we would expect the vendor to utilize our current practices in recommending strategies to address inequities.

Section II, vendor qualifications, Page 43

- (C) – we are looking for the vendor to provide a list of required data, reports and any other information needed from the State.

That concludes our presentation. As a reminder, questions are due by May 30. We will post answers to the questions by June 6, 2018. Proposal are due by 3:00 pm local time June 19th. See RFP for additional information.

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QUESTIONS & ANSWERS

Q1. (Reference: Appendix A, I.A.a), page 41) For Part 1, how many of the approximately 1,000 class titles should we anticipate including in the market study as benchmark classes?

A1. Based on best business practices, we are asking the vendor to tell us an appropriate number of benchmark classes that would give the best representation of the spectrum of the State's job classifications and pay grades.

Q2. (Reference: Appendix A, I.B.1.a), page. 41) Is the state seeking updated job descriptions as part of the classification analysis?

A2. No, we are looking for the vendor to provide a strategy for reviewing and updating over 1,000 class specifications to ensure they describe the work performed.

Q3. (Reference: N/A) Are any of the State's employees in the study covered by a collective bargaining agreement/unit? If so, which agreement(s) or unit(s)?

A3. Part I - may involve benchmark classes of employees covered under a Collectively Bargained Wage only for the purpose of looking at the average wage in the class not for the purposes of a structural change.

Part II - The vendor is only being asked to look at the appropriateness of the State's compensation methodology (50% pay line and M37 pay plan structure and recommend alternatives if warranted). The state is ***not*** requesting a review of the negotiated pay structures. However, the vendor will be provided with Collectively Bargained pay plans for Part II as a point of reference to address compression strategies.

Q4. (Reference: N/A) Can you tell us the expected budget for this project?

A4. A budget has not been identified for the study.

Q5. (Reference: V. Contract Terms and Conditions, page 14) We have a current contract and terms with the State which was recently negotiated. We are comfortable using it to support these services. Can we use that as a starting point and add in language to support the technology platform we use for our benchmarking solution(s)?

A5. No, this will be a separately negotiated contract.

Q6. (Reference: Appendix A, I.A, part 1, page 41) Is the State looking for integrated benchmarking for compensation and benefits, or looking for assessments of benefits and compensation separately?

A6. Both, integrated and non-integrated. We are looking for the vendor to look at compensation separately, benefits separately and then compensation and benefits integrated.

Q7. (Reference: Appendix A, I.A. d), page 41) What is the factoring value referred to in this sentence?

A7. The vendor shall determine the value of the benefits provided by the state compared to the value of benefits provided by labor market being studied to determine a value (a percent) for use in determining total compensation.

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Q8. (Reference: Appendix A, III. B, page 44) Are there dependencies with the October 19 due date for Part 1 or is there flexibility if we were able to still meet Part 2 deadlines?

A8. There is no flexibility in deadlines for either part.

Q9. (Reference: Appendix A, I.A.d), page 41) Do you have specific peers in mind already, such as the current states and counties? Is the approved labor market the same for compensation and benefits?

A9. No, we do not have specific peers in mind. Part of the evaluation of the vendor's proposal is a recommendation of the appropriate labor market, appropriate number of benchmark classes and logic used to determine each. (Reference Page 3, III. Required Information, B General Evaluation Requirements #2, Page 13 Criteria Weight). The labor market would be the same for both compensation and benefits.

Q10. (Reference: Appendix A, I.A.d) page 41) Are we collecting and valuing the most representative salaried plan only for both State of Delaware and the peers? Or do we need to collect and value variations in benefits based on job classification or job family?

A10. State of Delaware employees, regardless of job classification or job family, have access to the same health benefits package. There are four health plans available to State of Delaware benefit eligible employees and the plan of highest enrollment is the Highmark Delaware Comprehensive PPO plan. Regardless of health plan enrollment choice, each benefit eligible employee has access to the same disability, prescription, employee assistance program and deferred compensation benefits. Vendors responding to this RFP will be required to collect and value health benefits for both State of Delaware employees, regardless of job classification or job family, and peers using as the benchmark, the State of Delaware Highmark Comprehensive PPO plan and State of Delaware disability, prescription, employee assistance program and deferred compensation benefit packages.

Q11. (Reference: Section V. 8.a, page 17) If the State does not provide working space and the contractor is required to make its own arrangement for space to be co-located to the State, should a provision for the occupancy related expense be included in the proposal?

A11. This is standard contract boilerplate language. It is the expectation that the bulk of the study can be performed from the vendor's location. Vendor is responsible for providing all resources required to complete the study.

Q12. (Reference: Section V. 8.m, page 21) Can you provide more detail on the circumstances that would give rise to the State requiring a 25% holdback can you explain the process by which the hold back is implemented? For example, are individual pay requests adjusted down by 25% before payment? How is the time frame for such holdbacks determined? How is "acceptable performance" defined and under what conditions is the 25% holdback relieved. What is the process and timing for payment of held funds?

A12. "May require". Percentage, if required will be negotiated with the selected vendor with holdback occurring until presentation of final reports for Phase 1 & Phase 2 (if awarded).

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Q13. (Reference: Section V. 8.p.3, page 23) If the State of Delaware terminates the contract for non-appropriations, what compensation will be entitled to receive, if any, for satisfactory work completed and which is usable to the State?

A13. This could be negotiated prior to an agreement being signed in regards to a specific situation that is being considered. Identify interest to do so as an Exception in Attachment 3 of your proposal response.

Q14. (Reference: Attachment 6) Is there any preference or set-aside for small or disadvantaged business(es) on this solicitation?

A14. No

Q15. (Reference: Appendix A, I.A.a), page 41) Can you define the approved labor markets?

A15. This is to be recommended by the vendor per Vendor Qualification, C, pg 43. Additionally, part of the evaluation of the vendor's proposal is a recommendation of the appropriate labor market, appropriate number of benchmark classes and logic used to determine each. (Reference Page 3, III. Required Information B, General Evaluation Requirements #2, and Page 13 Criteria Weight).

Q16. (Reference: Appendix A, I.A.b), page 41) On page 2, under scope of services, there is a reference to two basic merit pay systems: (M37) and (M40); only one pay system (M37) is referenced under Expectations. Please clarify whether the contract expectations extend to both pay systems as well as please identify the number of employees covered under each pay system. Note: Only pay system M37 is referenced in item (e) on the same page.

A16. Correct, only one pay system is referenced; however, the outcome will be applied to both.

Q17. (Reference: Appendix A, I.B.1.c), page 42) The State of Delaware uses a modified version of People Soft to provide data management for its human capital management (HCM). Please clarify the vendor's duty with respect to recommending computer software. Will the contactor be expected to provide: a) a software recommendation that fully integrates with the State's PeopleSoft HCM and that accepts that the software may not provide the highest level of feature functionality for compensation and classification management, b) a software recommendation that provides the highest level of feature functionality and can also securely exchange data with the State's PeopleSoft HCM, and c) a recommendation for business process improvement that will focus only on the computer software tool and not the software configuration and implementation and staffing and business processes (workflow) that also impact the management, effectiveness and efficiency of a classification and compensation system?

A17. The State is expecting the vendor to provide pros and cons for all recommendations as to which would be best suited for the State of Delaware.

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Q18. (Reference: Appendix A, I.B.4.a), page 42) During the Mandatory Pre-Bid Conference Call, it was mentioned that the equity analysis should include a comparable worth analysis. Some use the term comparable worth analysis to mean pay equity analysis. Please confirm whether the following definition of comparable worth is consistent with the States' expectation: The term comparable worth describes the notion that sex-segregated jobs should be reanalyzed to determine their worth to an employer. In practice, comparable worth consists of raising wages for traditionally female-dominated jobs to the level of those for comparable male-dominated jobs. Comparable worth should not be confused with equal pay for equal work. Rather, comparable worth policies promote equal pay for comparable work.

A18. The vendor is required to provide a job segregation analysis, a glass ceiling analysis and shall compare wages by gender, race and ethnicity to determine inequities.

Q19. (Reference: Appendix A, III.B.1. & C.1., page 44) Part 1 Due Date: 10/19/18; Part 2 Due Date: 10/25/18. The Scope of Work and the due dates for completion are inconsistent and likely unrealistic. Are there specific State priorities, financial mandates or programs that drive these due dates?

A19. Deadlines are as follows:

- Part 1: Draft report due by October 19, 2018 (This is a hard deadline.)
- Part 1: Final report due by October 25, 2018 (This is a hard deadline.)
- Part 2: Draft report due by February 1, 2019 (This is a hard deadline.)
- Part 2: Final report due by February 22, 2019 (This is a hard deadline.)

The State's budget cycle is driving these due dates.

Q20. (Reference: Appendix B, page 46-47) We did not find any reference to the State, local, and municipal government organizations to which vendor should compare salaries in the link provided to the FY Governor's Recommended Budget (<https://legis.delaware.gov/BillDetail?legislationId=26298>). Will the final budget identify these organizations or do you expect the vendor to define them?

A20. The Vendor is to recommend the State, local, municipal government, and private sector organizations to be used for comparison purposes, which are subject to DHR acceptance.

Q21. (Reference: Appendix B, B.1., page 47) What is the nature and extent of the State's recruitment and retention issues? Can you share metrics on the state's recruitment productivity (for example: time to offer, time to hire, source of hires and preferred candidate/first offer acceptance %) and employee retention by department/agency/classification over the last 3 years?

A21. The State is requesting the vendor to address compensation methodologies to address classes with identified recruitment and retention issues. The State utilizes turnover by fiscal year and current vacancy statistics, and recruitment efforts within the recent period to identify job classes for potential compensation considerations. The number of classes affected change based on the job market and other issues.

Reports will be provided as appropriate.

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Q22. (Reference: Appendix B, C., page 49) To what extent does your current system of pay plans and classifications meet your needs?

A22. [The State is looking for the selected vendor to review our methodologies and make strategic recommendations for moving forward based on best business practices.](#)

Q23. (Reference: Appendix B, Additional Resources, page 59) What is the status of Senate Bill 145, 149th General Assembly (Present) that was introduced on Senate Finance 1/25/18, and is still awaiting consideration in Committee?

A23. [The Budget for FY19 is yet to be approved.](#)

Q24. (Reference: Appendix B, Additional Resources, page 59) Is the awarding of this bid dependent on an appropriation from the legislature that funds the full amount covered by the bid?

A24. [Yes](#)

Q25. (Reference: Appendix C) There was no sample Professional Services Agreement attached. Please provide.

A25. [Appendix C is a separate file attachment available online.](#)

**Bid Status Details
for
DHR Comprehensive Study,
DHR18001-COMP_STDY**

Contract Specific Message:

Mandatory pre-bid conference call..... This solicitation has been posted under multiple UNSPSC. An offeror need respond to only one listing.

Solicitation Ad Date	5/21/2018
Deadline for Bid Responses	6/19/2018 at 3:00 p.m. Local Time
Supporting Documents	RFP - Professional Services Appendix C - Sample Agreement
Contact Information	courtney.mccarty@state.de.us

Return to bids.delaware.gov

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Q26. (Reference: N/A) Please provide the number of employees to be included in the project. Does it include all 16,200 employees?

A26. [Part I of the study, Page 41, is addressing pay structure and average wages of benchmark classes that may affect 16,200 employees.](#)

[Part 2, #4 Equity section of the study \(Page 42\) may be an analysis of all 16,200.](#)

Q27. (Reference: N/A) Can you provide a breakdown of exempt vs nonexempt (%), union (included?) vs. nonunion?

A27. [Reports will be provided as appropriate.](#)

Q28. (Reference: N/A) Are union employees included in the study? Will assistance be needed for negotiating collective bargaining agreements? If so, how many different unions are involved?

A28. [This RFP does not request any assistance with the negotiation of collective bargaining agreements.](#)

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Part I - may involve benchmark classes of employees covered under a Collectively Bargained Wage only for the purposes of looking at the average wage in the class not for the purposes of a structural change.

Part II - The vendor is only being asked to look at the appropriateness of the State's compensation methodology (50% pay line and M37 pay plan structure and recommend alternatives if warranted). The state is not requesting a review of the negotiated pay structures. However, the vendor will be provided with Collectively Bargained pay plans for Part II as a point of reference to address compression strategies.

Q29. (Reference: N/A) Can you provide a list of stakeholders involved (e.g. HR Team, executive leadership, etc.)?

A29. Human Resource Team, Executive Leadership, General Assembly

Q30. (Reference: Business References, page 11) Can a subcontractor provide one of these customer/past performance references?

A30. Business References are for the Vendor responding to the solicitation.

Q31. (Reference: Appendix A, I.A, page 41) How many current salary structure(s) exist? Are salary structures other M37 and M40 excluded from the project?

A31. As stated in II. Scope of Services on Page 2 the state has 30 additional pay plans.

Appendix A, I.A, page 41 - We are only looking at the M37 pay plan and will apply recommendations to other pay plans as appropriate.

Appendix A –B Part 2 – 2(b). The vendor shall examine the Selective Market Variation (SMV) Program, Blanket Starting Salaries, and salary matrices to determine appropriateness or recommend alternatives that will help address compensation issues for positions where severe market competition makes it difficult for the State to recruit and retain qualified employees. This will include identifying job classifications that have a greater need to be competitively paid in relationship to the market that are not included in the stated programs. Include costs for the State to implement recommended alternatives.

Q32. (Reference: Appendix A, I.A, page 41) When were salary structures last assessed (not just adjusted/aged by a %) as stated for 2007? How are the adjustment and updating processes set up?

A32. The last salary survey to determine structural adjustments to our pay scales to maintain a 50% pay line was completed in the fall of 2005. The process in the past was as follows: In late fall, the structural adjustment recommendations derived from the salary surveys are sent by the vendor to the Department of Human Resources (DHR). Secretary of DHR conveys these results to the Governor, the Controller General, the Budget Director, and members of the State Joint Finance Committee (the budget-writing group of the Legislature) for consideration during the preparation of the State's annual budget. Structural adjustments implemented are processed as part of the annual budget cycle and are reflected in the budget act passed by the General Assembly and signed by the Governor in late June, early July. As the State's pay scales are mid-point based, the % adjustment approved via the Budget is applied to our paygrade midpoints which in turn changes the State's paygrade minimums and maximums.

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Q33. (Reference: Appendix A, I.A, page 41) Current market pricing/benchmarking process and talent markets used for comparison – if these vary by population, please specify. What closed/private compensation surveys, if any, are available for benchmarking use?

A33. None.

Q34. (Reference: Appendix A, I.A, page 41) What specific type of benefits are currently provided (e.g. what sort of disability (short vs long-term), Life cover, perks. What type of pension/retirement benefits?

A34. Benefit Plans are at <https://ben.omb.delaware.gov/>. The State offers both a Service Pension covered under Title 29 Delaware Code, Chapter 55 and a deferred compensation plan covered under Title 29, Delaware Code, Chapter 60 as provided in Appendix B, pg 52 and 59.

Q35. (Reference: Appendix A, I.B.3, page 42) Can you provide a template or sample of current job classifications, as applicable? Will job descriptions be available?

A35. Job Descriptions can be found online at: <https://jobapscloud.com/de/auditor/classreports.asp>

Q36. (Reference: Appendix A, I.B.3, page 42) Will there be any title consolidation review as part of the project?

A36. Title consolidation could be a “recommended alternative”.

Q37. (Reference: N/A) Does DE participate in any market surveys? If so, can we have the data that resulted from your participation?

A37. The last market survey DHR participated in for the purpose of structural adjustments to our pay scales was in 2005.

Q38. (Reference: N/A) How do you want your reports – what format. Specifically, do you want excel so you can manipulate the information for your own use?

A38. Statistical reports in excel and narrative reports in Word.

Q39. (Reference: N/A) Do you expect training when the project is delivered? Who will you want to train?

A39. Appendix A, III, Part C, Part II, #3, pg 44. We are asking for change management and training strategies.

Q40. (Reference: N/A) Do you want us to present to you and/or your leadership in PPT?

A40. Yes.

Q41. (Reference: N/A) Will you implement the program recommendations or will you require us to implement?

A41. The purpose of the solicitation is to review and make recommendations, to include the financial impact of implementation (by the State).

All other terms and conditions remain the same.