

**REQUEST FOR PROPOSALS FOR PROFESSIONAL SERVICES
DHR COMPREHENSIVE STUDY OF COMPENSATION, CLASSIFICATION, BENEFITS,
GENDER AND RACE/ETHNICITY EQUITY
ISSUED BY DEPARTMENT OF HUMAN RESOURCES
DHR18001-COMP_STDY**

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I. Overview

The State of Delaware Department of Human Resources, seeks professional services to conduct a comprehensive study of compensation, classification, benefits, gender and race/ethnicity equity. This request for proposal (“RFP”) is issued pursuant to 29 *Del. C.* §§ [6981 and 6982](#).

The proposed schedule of events subject to the RFP is outlined below:

Public Notice	May 21, 2018
Mandatory Pre-Bid (Conference Call)	11:00am, May 29, 2018
Deadline for Questions	May 30, 2018
Response to Questions Posted by	June 6, 2018
Deadline for Receipt of Proposals	June 19, 2018
Estimated Notification of Award	July 16, 2018

Each proposal must be accompanied by a transmittal letter which briefly summarizes the proposing firm’s interest in providing the required professional services. The transmittal letter must also clearly state and justify any exceptions to the requirements of the RFP which the applicant may have taken in presenting the proposal. (Applicant exceptions must also be recorded on Attachment 3).

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The State of Delaware reserves the right to deny any and all exceptions taken to the RFP requirements.

MANDATORY PRE-BID MEETING

A conference call will take place on Tuesday, May 29, 2018, 11:00 a.m. E.T. (local time). The Skype meeting call in number is 302-526-5475, Conference ID 46138#. **This is a mandatory meeting.** If a Vendor does not call into this meeting, they shall be disqualified and shall not be considered for further evaluation.

The call will take no longer than an hour. It will not be a webinar – we will refer to pages and sections in the RFP document that we are highlighting. Roll call will be taken at the beginning of the call.

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

Questions will not be answered during this call and should be submitted formally through the process outlined in the RFP.

II. Scope of Services

In July, 2017 the Department of Human Resources (DHR) was established as a cabinet-level agency to drive the strategic direction of human resources for the State. The State of Delaware (the State), DHR is seeking proposals from qualified vendors to conduct a comprehensive study on compensation, classification, benefits, gender and race/ethnicity equity. This study will account for approximately 16,200 employees, comprised of the Executive, Legislative and Judicial Branches. This study will not include the school districts. The focus of this study is merit and merit comparable positions.

The State has two basic merit system pay plans, one for employees with a 37.5 hour work week (M37) and a second for employees with a 40 hour work week (M40). The State also has 30 additional pay plans, many of which are a result of collective wage bargaining.

DHR administers, maintains and revises a classification system for all positions in the classified service and all merit comparable positions so that uniform qualifications and pay ranges apply to all positions in the same classification. This classification system encompasses over 1,000 merit classifications that will be the primary focus of this review. The classification system review findings may be applied to the other merit comparable classifications.

Processes, methodologies, procedures, pay plans, benefit plans and other important information regarding Classification, Compensation, Benefits, and gender and race/ethnicity equity can be found in Appendix B.

The technical requirements are shown in Appendix A. Please respond to these requirements in your proposal.

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III. Required Information

The following information shall be provided in each proposal in the order listed below. Failure to respond to any request for information within this proposal may result in rejection of the proposal at the sole discretion of the State.

A. Minimum Requirements

1. Provide Delaware license(s) and/or certification(s) necessary to perform services as identified in the scope of work.

Prior to the execution of an award document, the successful Vendor shall either furnish the Agency with proof of State of Delaware Business Licensure or initiate the process of application where required.

2. Vendor shall provide responses to the Request for Proposal (RFP) scope of work and clearly identify capabilities as presented in the General Evaluation Requirements below.
3. Complete all appropriate attachments and forms as identified within the RFP.

B. General Evaluation Requirements

1. Specialized experience and/or technical expertise of the firm and its personnel in connection with the type of services to be provided as well as overall consulting services provided by the firm; timeline detailing how the company will meet the deadline with dates and specifics of deliverables.
2. Completeness and quality of the proposal submitted to include the recommended labor market, appropriate number of benchmark classes and logic used to determine both and a demonstrated understanding of the services and requirements outlined in the Scope of Work.
3. References; other Governmental clients of a similar scope.
4. Demonstrated understanding of laws and current knowledge of Federal guidelines and regulations of the work to be performed as well as understanding of trends and issues in the compensation, classification, benefits and diversity and inclusion.
5. Cost Proposal

IV. Professional Services RFP Administrative Information

A. RFP Issuance

1. Public Notice

Public notice has been provided in accordance with 29 *Del. C.* [§6981](#).

2. Obtaining Copies of the RFP

This RFP is available in electronic form through the State of Delaware Procurement website at www.bids.delaware.gov. Paper copies of this RFP will not be available.

3. Assistance to Vendors with a Disability

Vendors with a disability may receive accommodation regarding the means of communicating this RFP or participating in the procurement process. For more information, contact the Designated Contact no later than ten days prior to the deadline for receipt of proposals.

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4. RFP Designated Contact

All requests, questions, or other communications about this RFP shall be made in writing to the State of Delaware. Address all communications to the person listed below; communications made to other State of Delaware personnel or attempting to ask questions by phone or in person will not be allowed or recognized as valid and may disqualify the vendor. Vendors should rely only on written statements issued by the RFP designated contact.

Government Support Services
100 Enterprise Place, Suite 4
Dover, DE 19904
Courtney McCarty
Courtney.mccarty@state.de.us

To ensure that written requests are received and answered in a timely manner, electronic mail (e-mail) correspondence is acceptable, but other forms of delivery, such as postal and courier services can also be used.

5. Consultants and Legal Counsel

The State of Delaware may retain consultants or legal counsel to assist in the review and evaluation of this RFP and the vendors' responses. Bidders shall not contact the State's consultant or legal counsel on any matter related to the RFP.

6. Contact with State Employees

Direct contact with State of Delaware employees other than the State of Delaware Designated Contact regarding this RFP is expressly prohibited without prior consent. Vendors directly contacting State of Delaware employees risk elimination of their proposal from further consideration. Exceptions exist only for organizations currently doing business in the State who require contact in the normal course of doing that business.

7. Organizations Ineligible to Bid

Any individual, business, organization, corporation, consortium, partnership, joint venture, or any other entity including subcontractors currently debarred or suspended is ineligible to bid. Any entity ineligible to conduct business in the State of Delaware for any reason is ineligible to respond to the RFP.

8. Exclusions

The Proposal Evaluation Team reserves the right to refuse to consider any proposal from a vendor who:

- a. Has been convicted for commission of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of the contract or subcontract:
- b. Has been convicted under State or Federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or other offense indicating a lack of business integrity or business honesty that currently and seriously affects responsibility as a State contractor:
- c. Has been convicted or has had a civil judgment entered for a violation under State or Federal antitrust statutes:

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- d. Has violated contract provisions such as;
 - 1) Knowing failure without good cause to perform in accordance with the specifications or within the time limit provided in the contract; or
 - 2) Failure to perform or unsatisfactory performance in accordance with terms of one or more contracts;
- e. Has violated ethical standards set out in law or regulation; and
- f. Any other cause listed in regulations of the State of Delaware determined to be serious and compelling as to affect responsibility as a State contractor, including suspension or debarment by another governmental entity for a cause listed in the regulations.

B. RFP Submissions

1. Acknowledgement of Understanding of Terms

By submitting a bid, each vendor shall be deemed to acknowledge that it has carefully read all sections of this RFP, including all forms, schedules and exhibits hereto, and has fully informed itself as to all existing conditions and limitations.

2. Proposals

To be considered, all proposals must be submitted in writing and respond to the items outlined in this RFP. The State reserves the right to reject any non-responsive or non-conforming proposals. Each proposal must be submitted with two (2) paper copies and one (1) electronic copy on CD, DVD media disk or USB Memory Stick. One of the paper copies shall be marked "Master Copy" and will contain original signatures in all locations requiring a vendor signature. The remaining paper copy does not require original signatures. CD, DVD media disk or USB memory Stick must contain the proposal response, excluding Cost Proposal, saved in PDF format. Cost Proposal is to be saved in Excel format.

All properly sealed and marked proposals are to be sent to the State of Delaware and received no later than **3:00 PM (Local Time) on June 19, 2018**. The Proposals may be delivered by Express Delivery (e.g., FedEx, UPS, etc.), US Mail, or by hand to:

**Government Support Services
100 Enterprise Place, Suite 4
Dover, DE 19904
DHR18001-COMP_STDY**

Vendors are directed to clearly print "BID ENCLOSED" and "CONTRACT NO. DHR18001-COMP_STDY" on the outside of the bid submission package.

Any proposal received after the Deadline for Receipt of Proposals date shall not be considered and shall be returned unopened. The proposing vendor bears the risk of delays in delivery. The contents of any proposal shall not be disclosed as to be made available to competing entities during the negotiation process.

Upon receipt of vendor proposals, each vendor shall be presumed to be thoroughly familiar with all specifications and requirements of this RFP. The failure or omission to examine any form, instrument or document shall in no way relieve vendors from any obligation in respect to this RFP.

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3. Proposal Modifications

Any changes, amendments or modifications to a proposal must be made in writing, submitted in the same manner as the original response and conspicuously labeled as a change, amendment or modification to a previously submitted proposal. Changes, amendments or modifications to proposals shall not be accepted or considered after the hour and date specified as the deadline for submission of proposals.

4. Proposal Costs and Expenses

The State of Delaware will not pay any costs incurred by any Vendor associated with any aspect of responding to this solicitation, including proposal preparation, printing or delivery, attendance at vendor's conference, system demonstrations or negotiation process.

5. Proposal Expiration Date

Prices quoted in the proposal shall remain fixed and binding on the bidder at least through December 31, 2019. The State of Delaware reserves the right to ask for an extension of time if needed.

6. Late Proposals

Proposals received after the specified date and time will not be accepted or considered. To guard against premature opening, sealed proposals shall be submitted, plainly marked with the proposal title, vendor name, and time and date of the proposal opening. Evaluation of the proposals is expected to begin shortly after the proposal due date. To document compliance with the deadline, the proposal will be date and time stamped upon receipt.

7. Proposal Opening

The State of Delaware will receive proposals until the date and time shown in this RFP. Proposals will be opened in the presence of State of Delaware personnel. Any unopened proposals will be returned to the submitting Vendor.

The Agency will conduct a public opening of proposals and complete a public log of the names of all vendor organizations that submitted proposals. The contents of any proposal shall not be disclosed in accordance with [Executive Order # 31](#) and Title 29, Delaware Code, [Chapter 100](#).

8. Non-Conforming Proposals

Non-conforming proposals will not be considered. Non-conforming proposals are defined as those that do not meet the requirements of this RFP. The determination of whether an RFP requirement is substantive or a mere formality shall reside solely within the State of Delaware.

9. Concise Proposals

The State of Delaware discourages overly lengthy and costly proposals. It is the desire that proposals be prepared in a straightforward and concise manner. Unnecessarily elaborate brochures or other promotional materials beyond those sufficient to present a complete and effective proposal are not desired. The State of Delaware's interest is in the quality and responsiveness of the proposal.

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10. Realistic Proposals

It is the expectation of the State of Delaware that vendors can fully satisfy the obligations of the proposal in the manner and timeframe defined within the proposal. Proposals must be realistic and must represent the best estimate of time, materials and other costs including the impact of inflation and any economic or other factors that are reasonably predictable.

The State of Delaware shall bear no responsibility or increase obligation for a vendor's failure to accurately estimate the costs or resources required to meet the obligations defined in the proposal.

11. Confidentiality of Documents

Subject to applicable law or the order of a court of competent jurisdiction to the contrary, all documents submitted as part of the vendor's proposal will be treated as confidential during the evaluation process. As such, vendor proposals will not be available for review by anyone other than the State of Delaware/Proposal Evaluation Team or its designated agents. There shall be no disclosure of any vendor's information to a competing vendor prior to award of the contract unless such disclosure is required by law or by order of a court of competent jurisdiction.

The State of Delaware and its constituent agencies are required to comply with the State of Delaware Freedom of Information Act, [29 Del. C. § 10001, et seq. \("FOIA"\)](#). FOIA requires that the State of Delaware's records are public records (unless otherwise declared by FOIA or other law to be exempt from disclosure) and are subject to inspection and copying by any person upon a written request. Once a proposal is received by the State of Delaware and a decision on contract award is made, the content of selected and non-selected vendor proposals will likely become subject to FOIA's public disclosure obligations.

The State of Delaware wishes to create a business-friendly environment and procurement process. As such, the State respects the vendor community's desire to protect its intellectual property, trade secrets, and confidential business information (collectively referred to herein as "confidential business information"). Proposals must contain sufficient information to be evaluated. If a vendor feels that they cannot submit their proposal without including confidential business information, they must adhere to the following procedure or their proposal may be deemed unresponsive, may not be recommended for selection, and any applicable protection for the vendor's confidential business information may be lost.

In order to allow the State to assess its ability to protect a vendor's confidential business information, vendors will be permitted to designate appropriate portions of their proposal as confidential business information.

Vendor(s) may submit portions of a proposal considered to be confidential business information in a separate, sealed envelope labeled "Confidential Business Information" and include the specific RFP number. The envelope must contain a letter from the Vendor's legal counsel describing the documents in the envelope, representing in good faith that the information in each document is not "public record" as defined by 29 Del. C. § 10002, and briefly stating the reasons that each document meets the said definitions.

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Upon receipt of a proposal accompanied by such a separate, sealed envelope, the State of Delaware will open the envelope to determine whether the procedure described above has been followed. A vendor's allegation as to its confidential business information shall not be binding on the State. The State shall independently determine the validity of any vendor designation as set forth in this section. Any vendor submitting a proposal or using the procedures discussed herein expressly accepts the State's absolute right and duty to independently assess the legal and factual validity of any information designated as confidential business information. Accordingly, Vendor(s) assume the risk that confidential business information included within a proposal may enter the public domain.

12. Price Not Confidential

Vendors shall be advised that as a publically bid contract, no Vendor shall retain the right to declare their pricing confidential.

13. Multi-Vendor Solutions (Joint Ventures)

Multi-vendor solutions (joint ventures) will be allowed only if one of the venture partners is designated as the "**prime contractor**". The "**prime contractor**" must be the joint venture's contact point for the State of Delaware and be responsible for the joint venture's performance under the contract, including all project management, legal and financial responsibility for the implementation of all vendor systems. If a joint venture is proposed, a copy of the joint venture agreement clearly describing the responsibilities of the partners must be submitted with the proposal. Services specified in the proposal shall not be subcontracted without prior written approval by the State of Delaware, and approval of a request to subcontract shall not in any way relieve Vendor of responsibility for the professional and technical accuracy and adequacy of the work. Further, vendor shall be and remain liable for all damages to the State of Delaware caused by negligent performance or non-performance of work by its subcontractor or its sub-subcontractor.

Multi-vendor proposals must be a consolidated response with all cost included in the cost summary. Where necessary, RFP response pages are to be duplicated for each vendor.

a. Primary Vendor

The State of Delaware expects to negotiate and contract with only one "prime vendor". The State of Delaware will not accept any proposals that reflect an equal teaming arrangement or from vendors who are co-bidding on this RFP. The prime vendor will be responsible for the management of all subcontractors.

Any contract that may result from this RFP shall specify that the prime vendor is solely responsible for fulfillment of any contract with the State as a result of this procurement. The State will make contract payments only to the awarded vendor. Payments to any-subcontractors are the sole responsibility of the prime vendor (awarded vendor).

Nothing in this section shall prohibit the State of Delaware from the full exercise of its options under Section IV.B.16 regarding multiple source contracting.

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b. Sub-contracting

The vendor selected shall be solely responsible for contractual performance and management of all subcontract relationships. This contract allows subcontracting assignments; however, vendors assume all responsibility for work quality, delivery, installation, maintenance, and any supporting services required by a subcontractor.

Use of subcontractors must be clearly explained in the proposal, and major subcontractors must be identified by name. **The prime vendor shall be wholly responsible for the entire contract performance whether or not subcontractors are used.** Any sub-contractors must be approved by State of Delaware.

c. Multiple Proposals

A primary vendor may not participate in more than one proposal in any form. Sub-contracting vendors may participate in multiple joint venture proposals.

14. Sub-Contracting

The vendor selected shall be solely responsible for contractual performance and management of all subcontract relationships. This contract allows subcontracting assignments; however, vendors assume all responsibility for work quality, delivery, installation, maintenance, and any supporting services required by a subcontractor.

Use of subcontractors must be clearly explained in the proposal, and subcontractors must be identified by name. Any sub-contractors must be approved by State of Delaware.

15. Discrepancies and Omissions

Vendor is fully responsible for the completeness and accuracy of their proposal, and for examining this RFP and all addenda. Failure to do so will be at the sole risk of vendor. Should vendor find discrepancies, omissions, unclear or ambiguous intent or meaning, or should any questions arise concerning this RFP, vendor shall notify the State of Delaware's Designated Contact, in writing, of such findings at least ten (10) days before the proposal opening. This will allow issuance of any necessary addenda. It will also help prevent the opening of a defective proposal and exposure of vendor's proposal upon which award could not be made. All unresolved issues should be addressed in the proposal.

Protests based on any omission or error, or on the content of the solicitation, will be disallowed if these faults have not been brought to the attention of the Designated Contact, in writing, at least ten (10) calendar days prior to the time set for opening of the proposals.

a. RFP Question and Answer Process

The State of Delaware will allow written requests for clarification of the RFP. All questions shall be received no later than **May 30, 2018**. All questions will be consolidated into a single set of responses and posted on the State's website at www.bids.delaware.gov by the date of **June 6, 2018**. Vendor names will be removed from questions in the responses released. Questions should be submitted in the following format. Deviations from this format will not be accepted.

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Section number

Paragraph number

Page number

Text of passage being questioned

Questions not submitted electronically shall be accompanied by a CD and questions shall be formatted in Microsoft Word.

16. State's Right to Reject Proposals

The State of Delaware reserves the right to accept or reject any or all proposals or any part of any proposal, to waive defects, technicalities or any specifications (whether they be in the State of Delaware's specifications or vendor's response), to sit and act as sole judge of the merit and qualifications of each product offered, or to solicit new proposals on the same project or on a modified project which may include portions of the originally proposed project as the State of Delaware may deem necessary in the best interest of the State of Delaware.

17. State's Right to Cancel Solicitation

The State of Delaware reserves the right to cancel this solicitation at any time during the procurement process, for any reason or for no reason. The State of Delaware makes no commitments expressed or implied, that this process will result in a business transaction with any vendor.

This RFP does not constitute an offer by the State of Delaware. Vendor's participation in this process may result in the State of Delaware selecting your organization to engage in further discussions and negotiations toward execution of a contract. The commencement of such negotiations does not, however, signify a commitment by the State of Delaware to execute a contract nor to continue negotiations. The State of Delaware may terminate negotiations at any time and for any reason, or for no reason.

18. State's Right to Award Multiple Source Contracting

Pursuant to 29 *Del. C.* [§ 6986](#), the State of Delaware may award a contract for a particular professional service to two or more vendors if the agency head makes a determination that such an award is in the best interest of the State of Delaware.

19. Potential Contract Overlap

Vendors shall be advised that the State, at its sole discretion, shall retain the right to solicit for goods and/or services as required by its agencies and as it serves the best interest of the State. As needs are identified, there may exist instances where contract deliverables, and/or goods or services to be solicited and subsequently awarded, overlap previous awards. The State reserves the right to reject any or all bids in whole or in part, to make partial awards, to award to multiple vendors during the same period, to award by types, on a zone-by-zone basis or on an item-by-item or lump sum basis item by item, or lump sum total, whichever may be most advantageous to the State of Delaware.

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20. Notification of Withdrawal of Proposal

Vendor may modify or withdraw its proposal by written request, provided that both proposal and request is received by the State of Delaware prior to the proposal due date. Proposals may be re-submitted in accordance with the proposal due date in order to be considered further.

Proposals become the property of the State of Delaware at the proposal submission deadline. All proposals received are considered firm offers at that time.

21. Revisions to the RFP

If it becomes necessary to revise any part of the RFP, an addendum will be posted on the State of Delaware's website at www.bids.delaware.gov. The State of Delaware is not bound by any statement related to this RFP made by any State of Delaware employee, contractor or its agents.

22. Exceptions to the RFP

Any exceptions to the RFP, or the State of Delaware's terms and conditions, must be recorded on Attachment 3. Acceptance of exceptions is within the sole discretion of the evaluation committee.

23. Business References

Provide at least three (3) business references consisting of current or previous customers of similar scope and value using Attachment 5. Include business name, mailing address, contact name and phone number, number of years doing business with, and type of work performed. Personal references cannot be considered.

24. Award of Contract

The final award of a contract is subject to approval by the State of Delaware. The State of Delaware has the sole right to select the successful vendor(s) for award, to reject any proposal as unsatisfactory or non-responsive, to award a contract to other than the lowest priced proposal, to award multiple contracts, or not to award a contract, as a result of this RFP.

Notice in writing to a vendor of the acceptance of its proposal by the State of Delaware and the subsequent full execution of a written contract will constitute a contract, and no vendor will acquire any legal or equitable rights or privileges until the occurrence of both such events.

a. RFP Award Notifications

After reviews of the evaluation committee report and its recommendation, and once the contract terms and conditions have been finalized, the State of Delaware will award the contract.

The contract shall be awarded to the vendor whose proposal is most advantageous, taking into consideration the evaluation factors set forth in the RFP.

It should be explicitly noted that the State of Delaware is not obligated to award the contract to the vendor who submits the lowest bid or the vendor who receives the highest total point score, rather the contract will be awarded to the vendor

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whose proposal is the most advantageous to the State of Delaware. The award is subject to the appropriate State of Delaware approvals.

After a final selection is made, the winning vendor will be invited to negotiate a contract with the State of Delaware; remaining vendors will be notified in writing of their selection status.

25. Cooperatives

Vendors, who have been awarded similar contracts through a competitive bidding process with a cooperative, are welcome to submit the cooperative pricing for this solicitation.

C. RFP Evaluation Process

An evaluation team composed of representatives of the State of Delaware will evaluate proposals on a variety of quantitative criteria. Neither the lowest price nor highest scoring proposal will necessarily be selected.

The State of Delaware reserves full discretion to determine the competence and responsibility, professionally and/or financially, of vendors. Vendors are to provide in a timely manner any and all information that the State of Delaware may deem necessary to make a decision.

1. Proposal Evaluation Team

The Proposal Evaluation Team shall be comprised of representatives of the State of Delaware. The Team shall determine which vendors meet the minimum requirements pursuant to selection criteria of the RFP and procedures established in 29 *Del. C.* §§ [6981 and 6982](#). Professional services for this solicitation are considered under 29 *Del. C.* §6982(b). The Team may negotiate with one or more vendors during the same period and may, at its discretion, terminate negotiations with any or all vendors. The Team shall make a recommendation regarding the award to the Secretary, Department of Human Resources, who shall have final authority, subject to the provisions of this RFP and 29 *Del. C.* § [6982\(b\)](#), to award a contract to the successful vendor in the best interests of the State of Delaware.

2. Proposal Selection Criteria

The Proposal Evaluation Team shall assign up to the maximum number of points for each Evaluation Item to each of the proposing vendor's proposals. All assignments of points shall be at the sole discretion of the Proposal Evaluation Team.

The proposals shall contain the essential information on which the award decision shall be made. The information required to be submitted in response to this RFP has been determined by the State of Delaware to be essential for use by the Team in the bid evaluation and award process. Therefore, all instructions contained in this RFP shall be met in order to qualify as a responsive and responsible contractor and participate in the Proposal Evaluation Team's consideration for award. Proposals which do not meet or comply with the instructions of this RFP may be considered non-conforming and deemed non-responsive and subject to disqualification at the sole discretion of the Team.

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The Team reserves the right to:

- Select for contract or for negotiations a proposal other than that with lowest costs.
- Reject any and all proposals or portions of proposals received in response to this RFP or to make no award or issue a new RFP.
- Waive or modify any information, irregularity, or inconsistency in proposals received.
- Request modification to proposals from any or all vendors during the contract review and negotiation.
- Negotiate any aspect of the proposal with any vendor and negotiate with more than one vendor at the same time.

Criteria Weight

All proposals shall be evaluated using the same criteria and scoring process. The following criteria shall be used by the Evaluation Team to evaluate proposals:

Criteria	Points
Specialized experience and/or technical expertise of the firm and its personnel in connection with the type of services to be provided as well as overall consulting services provided by the firm; timeline detailing how the company will meet the deadline with dates and specifics of deliverables.	30
Completeness and quality of the proposal submitted to include the recommended labor market, appropriate number of benchmark classes, logic used to determine both, and a demonstrated understanding of the services and requirements outlined in the Scope of Work.	25
References; other Governmental clients of a similar scope.	15
Demonstrated understanding of laws and current knowledge of Federal guidelines and regulations of the work to be performed as well as understanding of trends and issues in compensation, classification, benefits, and diversity and inclusion.	25
Cost Proposal	30
Total	125

Vendors are encouraged to review the evaluation criteria and to provide a response that addresses each of the scored items. Evaluators will not be able to make assumptions about a vendor's capabilities so the responding vendor should be detailed in their proposal responses.

3. Proposal Clarification

The Evaluation Team may contact any vendor in order to clarify uncertainties or eliminate confusion concerning the contents of a proposal. Proposals may not be modified as a result of any such clarification request.

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4. References

The Evaluation Team may contact any customer of the vendor, whether or not included in the vendor's reference list, and use such information in the evaluation process. Additionally, the State of Delaware may choose to visit existing installations of comparable systems, which may or may not include vendor personnel. If the vendor is involved in such site visits, the State of Delaware will pay travel costs only for State of Delaware personnel for these visits.

5. Oral Presentations

After initial scoring and a determination that vendor(s) are qualified to perform the required services, selected vendors may be invited to make oral presentations to the Evaluation Team. All vendor(s) selected will be given an opportunity to present to the Evaluation Team.

The selected vendors will have their presentations scored or ranked based on their ability to successfully meet the needs of the contract requirements, successfully demonstrate their product and/or service, and respond to questions about the solution capabilities.

The vendor representative(s) attending the oral presentation shall be technically qualified to respond to questions related to the proposed system and its components. The individual who will be the lead in this project should be present at the oral presentation. All of the vendor's costs associated with participation in oral discussions and system demonstrations conducted for the State of Delaware are the vendor's responsibility.

V. Contract Terms and Conditions

1. Contract Use by Other Agencies

REF: Title 29, Chapter [6904\(e\)](#) Delaware Code. If no state contract exists for a certain good or service, covered agencies may procure that certain good or service under another agency's contract so long as the arrangement is agreeable to all parties. Agencies, other than covered agencies, may also procure such goods or services under another agency's contract when the arrangement is agreeable to all parties.

2. Cooperative Use of Award

As a publicly competed contract awarded in compliance with 29 DE Code Chapter 69, this contract is available for use by other states and/or governmental entities through a participating addendum. Interested parties should contact the State Contract Procurement Officer identified in the contract for instruction. Final approval for permitting participation in this contract resides with the Director of Government Support Services and in no way places any obligation upon the awarded vendor(s).

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3. As a Service Subscription

As a Service subscription license costs shall be incurred at the individual license level only as the individual license is utilized within a fully functioning solution. Subscription costs will not be applicable during periods of implementation and solution development prior to the State's full acceptance of a working solution. Additional subscription license requests above actual utilization may not exceed 5% of the total and are subject to Delaware budget and technical review.

4. General Information

- a. The term of the contract between the successful bidder and the State shall be for a two (2) year initial term with two (2) optional extensions for a period of one (1) year for each extension.
- b. The selected vendor will be required to enter into a written agreement with the State of Delaware. The State of Delaware reserves the right to incorporate standard State contractual provisions into any contract negotiated as a result of a proposal submitted in response to this RFP. Any proposed modifications to the terms and conditions of the standard contract are subject to review and approval by the State of Delaware. Vendors will be required to sign the contract for all services, and may be required to sign additional agreements.
- c. The selected vendor or vendors will be expected to enter negotiations with the State of Delaware, which will result in a formal contract between parties. Procurement will be in accordance with subsequent contracted agreement. This RFP and the selected vendor's response to this RFP will be incorporated as part of any formal contract.
- d. The State of Delaware's standard contract will most likely be supplemented with the vendor's software license, support/maintenance, source code escrow agreements, and any other applicable agreements. The terms and conditions of these agreements will be negotiated with the finalist during actual contract negotiations.
- e. The successful vendor shall promptly execute a contract incorporating the terms of this RFP within twenty (20) days after award of the contract. No vendor is to begin any service prior to receipt of a State of Delaware purchase order signed by two authorized representatives of the agency requesting service, properly processed through the State of Delaware Accounting Office and the Department of Finance. The purchase order shall serve as the authorization to proceed in accordance with the bid specifications and the special instructions, once it is received by the successful vendor.
- f. If the vendor to whom the award is made fails to enter into the agreement as herein provided, the award will be annulled, and an award may be made to another vendor. Such vendor shall fulfill every stipulation embraced herein as if they were the party to whom the first award was made.
- g. The State reserves the right to extend this contract on a month-to-month basis for a period of up to three months after the term of the full contract has been completed.

5. Collusion or Fraud

Any evidence of agreement or collusion among vendor(s) and prospective vendor(s) acting to illegally restrain freedom from competition by agreement to offer a fixed price, or otherwise, will render the offers of such vendor(s) void.

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By responding, the vendor shall be deemed to have represented and warranted that its proposal is not made in connection with any competing vendor submitting a separate response to this RFP, and is in all respects fair and without collusion or fraud; that the vendor did not participate in the RFP development process and had no knowledge of the specific contents of the RFP prior to its issuance; and that no employee or official of the State of Delaware participated directly or indirectly in the vendor's proposal preparation.

Advance knowledge of information which gives any particular vendor advantages over any other interested vendor(s), in advance of the opening of proposals, whether in response to advertising or an employee or representative thereof, will potentially void that particular proposal.

6. Lobbying and Gratuities

Lobbying or providing gratuities shall be strictly prohibited. Vendors found to be lobbying, providing gratuities to, or in any way attempting to influence a State of Delaware employee or agent of the State of Delaware concerning this RFP or the award of a contract resulting from this RFP shall have their proposal immediately rejected and shall be barred from further participation in this RFP.

The selected vendor will warrant that no person or selling agency has been employed or retained to solicit or secure a contract resulting from this RFP upon agreement or understanding for a commission, or a percentage, brokerage or contingent fee. For breach or violation of this warranty, the State of Delaware shall have the right to annul any contract resulting from this RFP without liability or at its discretion deduct from the contract price or otherwise recover the full amount of such commission, percentage, brokerage or contingent fee.

All contact with State of Delaware employees, contractors or agents of the State of Delaware concerning this RFP shall be conducted in strict accordance with the manner, forum and conditions set forth in this RFP.

7. Solicitation of State Employees

Until contract award, vendors shall not, directly or indirectly, solicit any employee of the State of Delaware to leave the State of Delaware's employ in order to accept employment with the vendor, its affiliates, actual or prospective contractors, or any person acting in concert with vendor, without prior written approval of the State of Delaware's contracting officer. Solicitation of State of Delaware employees by a vendor may result in rejection of the vendor's proposal.

This paragraph does not prevent the employment by a vendor of a State of Delaware employee who has initiated contact with the vendor. However, State of Delaware employees may be legally prohibited from accepting employment with the contractor or subcontractor under certain circumstances. Vendors may not knowingly employ a person who cannot legally accept employment under state or federal law. If a vendor discovers that they have done so, they must terminate that employment immediately.

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8. General Contract Terms

a. Independent Contractors

The parties to the contract shall be independent contractors to one another, and nothing herein shall be deemed to cause this agreement to create an agency, partnership, joint venture or employment relationship between parties. Each party shall be responsible for compliance with all applicable workers compensation, unemployment, disability insurance, social security withholding and all other similar matters. Neither party shall be liable for any debts, accounts, obligations or other liability whatsoever of the other party or any other obligation of the other party to pay on the behalf of its employees or to withhold from any compensation paid to such employees any social benefits, workers compensation insurance premiums or any income or other similar taxes.

It may be at the State of Delaware's discretion as to the location of work for the contractual support personnel during the project period. The State of Delaware may provide working space and sufficient supplies and material to augment the Contractor's services.

b. Temporary Personnel are Not State Employees Unless and Until They are Hired

Vendor agrees that any individual or group of temporary staff person(s) provided to the State of Delaware pursuant to this Solicitation shall remain the employee(s) of Vendor for all purposes including any required compliance with the Affordable Care Act by the Vendor. Vendor agrees that it shall not allege, argue, or take any position that individual temporary staff person(s) provided to the State pursuant to this Solicitation must be provided any benefits, including any healthcare benefits by the State of Delaware and Vendor agrees to assume the total and complete responsibility for the provision of any healthcare benefits required by the Affordable Care Act to aforesaid individual temporary staff person(s). In the event that the Internal Revenue Service, or any other third party governmental entity determines that the State of Delaware is a dual employer or the sole employer of any individual temporary staff person(s) provided to the State of Delaware pursuant to this Solicitation, Vendor agrees to hold harmless, indemnify, and defend the State to the maximum extent of any liability to the State arising out of such determinations.

Notwithstanding the content of the preceding paragraph, should the State of Delaware subsequently directly hire any individual temporary staff employee(s) provided pursuant to this Solicitation, the aforementioned obligations to hold harmless, indemnify, and defend the State of Delaware shall cease and terminate for the period following the date of hire. Nothing herein shall be deemed to terminate the Vendor's obligation to hold harmless, indemnify, and defend the State of Delaware for any liability that arises out of compliance with the ACA prior to the date of hire by the State of Delaware. Vendor will waive any separation fee provided an employee works for both the vendor and hiring agency, continuously, for a three (3) month period and is provided thirty (30) days written notice of intent to hire from the agency. Notice can be issued at second month if it is the State's intention to hire.

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c. ACA Safe Harbor

The State and its utilizing agencies are not the employer of temporary or contracted staff. However, the State is concerned that it could be determined to be a Common-law Employer as defined by the Affordable Care Act (“ACA”). Therefore, the State seeks to utilize the “Common-law Employer Safe Harbor Exception” under the ACA to transfer health benefit insurance requirements to the staffing company. The Common-law Employer Safe Harbor Exception can be attained when the State and/or its agencies are charged and pay for an “Additional Fee” with respect to the employees electing to obtain health coverage from the Vendor.

The Common-law Employer Safe Harbor Exception under the ACA requires that an Additional Fee must be charged to those employees who obtain health coverage from the Vendor, but does not state the required amount of the fee. The State requires that all Vendors shall identify the Additional Fee to obtain health coverage from the Vendor and delineate the Additional Fee from all other charges and fees. The Vendor shall identify both the Additional Fee to be charged and the basis of how the fee is applied (i.e. per employee, per invoice, etc.). The State will consider the Additional Fee and prior to award reserves the right to negotiate any fees offered by the Vendor. Further, the Additional Fee shall be separately scored in the proposal to ensure that neither prices charged nor the Additional Fee charged will have a detrimental effect when selecting vendor(s) for award.

d. Licenses and Permits

In performance of the contract, the vendor will be required to comply with all applicable federal, state and local laws, ordinances, codes, and regulations. The cost of permits and other relevant costs required in the performance of the contract shall be borne by the successful vendor. The vendor shall be properly licensed and authorized to transact business in the State of Delaware as provided in 30 *Del. C.* § [2502](#).

Prior to receiving an award, the successful vendor shall either furnish the State of Delaware with proof of State of Delaware Business Licensure or initiate the process of application where required. An application may be requested in writing to: Division of Revenue, Carvel State Building, P.O. Box 8750, 820 N. French Street, Wilmington, DE 19899 or by telephone to one of the following numbers: (302) 577-8200—Public Service, (302) 577-8205—Licensing Department.

Information regarding the award of the contract will be given to the Division of Revenue. Failure to comply with the State of Delaware licensing requirements may subject vendor to applicable fines and/or interest penalties.

e. Notice

Any notice to the State of Delaware required under the contract shall be sent by registered mail to:

**Department of Human Resources
122 Martin Luther King Jr. Blvd. South
Dover, DE 19901
Toni Gillis**

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f. Indemnification

1. General Indemnification

By submitting a proposal, the proposing vendor agrees that in the event it is awarded a contract, it will indemnify and otherwise hold harmless the State of Delaware, its agents and employees from any and all liability, suits, actions, or claims, together with all costs, expenses for attorney's fees, arising out of the vendor's, its agents and employees' performance work or services in connection with the contract.

2. Proprietary Rights Indemnification

Vendor shall warrant that all elements of its solution, including all equipment, software, documentation, services and deliverables, do not and will not infringe upon or violate any patent, copyright, trade secret or other proprietary rights of any third party. In the event of any claim, suit or action by any third party against the State of Delaware, the State of Delaware shall promptly notify the vendor in writing and vendor shall defend such claim, suit or action at vendor's expense, and vendor shall indemnify the State of Delaware against any loss, cost, damage, expense or liability arising out of such claim, suit or action (including, without limitation, litigation costs, lost employee time, and counsel fees) whether or not such claim, suit or action is successful.

If any equipment, software, services (including methods) products or other intellectual property used or furnished by the vendor (collectively "Products") is or in vendor's reasonable judgment is likely to be, held to constitute an infringing product, vendor shall at its expense and option either:

- a. Procure the right for the State of Delaware to continue using the Product(s);
- b. Replace the product with a non-infringing equivalent that satisfies all the requirements of the contract; or
- c. Modify the Product(s) to make it or them non-infringing, provided that the modification does not materially alter the functionality or efficacy of the product or cause the Product(s) or any part of the work to fail to conform to the requirements of the Contract, or only alters the Product(s) to a degree that the State of Delaware agrees to and accepts in writing.

g. Insurance

1. Vendor recognizes that it is operating as an independent contractor and that it is liable for any and all losses, penalties, damages, expenses, attorney's fees, judgments, and/or settlements incurred by reason of injury to or death of any and all persons, or injury to any and all property, of any nature, arising out of the vendor's negligent performance under this contract, and particularly without limiting the foregoing, caused by, resulting from, or arising out of any act of omission on the part of the vendor in their negligent performance under this contract.
2. The vendor shall maintain such insurance as will protect against claims under Worker's Compensation Act and from any other claims for damages for personal injury, including death, which may arise from operations under this contract. The vendor is an independent contractor and is not an employee of the State of Delaware.

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3. During the term of this contract, the vendor shall, at its own expense, also carry insurance minimum limits as follows:
 - a. Vendor shall in all instances maintain the following insurance during the term of this Agreement.
 - i. Worker's Compensation and Employer's Liability Insurance in accordance with applicable law.
 - ii. Commercial General Liability
\$1,000,000.00 per occurrence/\$3,000,000 per aggregate.
 - b. The successful vendor must carry at least one of the following depending on the scope of work being delivered.
 - i. Medical/Professional Liability
\$1,000,000.00 per occurrence/\$3,000,000 per aggregate
 - ii. Miscellaneous Errors and Omissions
\$1,000,000.00 per occurrence/\$3,000,000 per aggregate
 - iii. Product Liability
\$1,000,000 per occurrence/\$3,000,000 aggregate
 - c. If the contractual service requires the transportation of departmental clients or staff, the vendor shall, in addition to the above coverage's, secure at its own expense the following coverage.
 - i. Automotive Liability Insurance (Bodily Injury) covering all automotive units transporting departmental clients or staff used in the work with limits of not less than \$100,000 each person and \$300,000 each accident.
 - ii. Automotive Property Damage (to others) - \$25,000
 4. The vendor shall provide a Certificate of Insurance (COI) as proof that the vendor has the required insurance. The COI shall be provided prior to agency contact prior to any work being completed by the awarded vendor(s).
 5. The State of Delaware shall not be named as an additional insured.
 6. Should any of the above described policies be cancelled before expiration date thereof, notice will be delivered in accordance with the policy provisions.
- h. Performance Requirements**
The selected Vendor will warrant that it possesses, or has arranged through subcontractors, all capital and other equipment, labor, materials, and licenses necessary to carry out and complete the work hereunder in compliance with any and all Federal and State laws, and County and local ordinances, regulations and codes.

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i. BID BOND

There is no Bid Bond Requirement.

j. PERFORMANCE BOND

There is no Performance Bond requirement.

k. Vendor Emergency Response Point of Contact

The awarded vendor(s) shall provide the name(s), telephone, or cell phone number(s) of those individuals who can be contacted twenty four (24) hours a day, seven (7) days a week where there is a critical need for commodities or services when the Governor of the State of Delaware declares a state of emergency under the Delaware Emergency Operations Plan or in the event of a local emergency or disaster where a state governmental entity requires the services of the vendor. Failure to provide this information could render the proposal as non-responsive.

In the event of a serious emergency, pandemic or disaster outside the control of the State, the State may negotiate, as may be authorized by law, emergency performance from the Contractor to address the immediate needs of the State, even if not contemplated under the original Contract or procurement. Payments are subject to appropriation and other payment terms.

l. Warranty

The Vendor will provide a warranty that the deliverables provided pursuant to the contract will function as designed for a period of no less than one (1) year from the date of system acceptance. The warranty shall require the Vendor correct, at its own expense, the setup, configuration, customizations or modifications so that it functions according to the State's requirements.

m. Costs and Payment Schedules

All contract costs must be as detailed specifically in the Vendor's cost proposal. No charges other than as specified in the proposal shall be allowed without written consent of the State of Delaware. The proposal costs shall include full compensation for all taxes that the selected vendor is required to pay.

The State of Delaware will require a payment schedule based on defined and measurable milestones. Payments for services will not be made in advance of work performed. The State of Delaware may require holdback of contract monies until acceptable performance is demonstrated (as much as 25%).

n. Liquidated Damages

The State of Delaware may include in the final contract liquidated damages provisions for non-performance.

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o. Dispute Resolution

At the option of, and in the manner prescribed by the Office of Management and Budget (OMB), the parties shall attempt in good faith to resolve any dispute arising out of or relating to this Agreement promptly by negotiation between executives who have authority to settle the controversy and who are at a higher level of management than the persons with direct responsibility for administration of this Agreement. All offers, promises, conduct and statements, whether oral or written, made in the course of the negotiation by any of the parties, their agents, employees, experts and attorneys are confidential, privileged and inadmissible for any purpose, including impeachment, in arbitration or other proceeding involving the parties, provided evidence that is otherwise admissible or discoverable shall not be rendered inadmissible.

If the matter is not resolved by negotiation, as outlined above, or, alternatively, OMB elects to proceed directly to mediation, then the matter will proceed to mediation as set forth below. Any disputes, claims or controversies arising out of or relating to this Agreement shall be submitted to mediation by a mediator selected by OMB, and if the matter is not resolved through mediation, then it shall be submitted, in the sole discretion of OMB, to the Office of Management and Budget, Government Support Services Director, for final and binding arbitration. OMB reserves the right to proceed directly to arbitration or litigation without negotiation or mediation. Any such proceedings held pursuant to this provision shall be governed by Delaware law and venue shall be in Delaware. The parties shall maintain the confidential nature of the arbitration proceeding and the Award, including the Hearing, except as may be necessary to prepare for or conduct the arbitration hearing on the merits. Each party shall bear its own costs of mediation, arbitration or litigation, including attorneys' fees.

p. Termination of Contract

The contract resulting from this RFP may be terminated as follows by Department of Human Resources.

1. Termination for Cause

If, for any reasons, or through any cause, the Vendor fails to fulfill in timely and proper manner its obligations under this Contract, or if the Vendor violates any of the covenants, agreements, or stipulations of this Contract, the State shall thereupon have the right to terminate this contract by giving written notice to the Vendor of such termination and specifying the effective date thereof, at least twenty (20) days before the effective date of such termination. In that event, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs, and reports or other material prepared by the Vendor under this Contract shall, at the option of the State, become its property, and the Vendor shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents and other materials which is usable to the State.

On receipt of the contract cancellation notice from the State, the Vendor shall have no less than five (5) days to provide a written response and may identify a method(s) to resolve the violation(s). A vendor response shall not effect or prevent the contract cancellation unless the State provides a written acceptance

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of the vendor response. If the State does accept the Vendor's method and/or action plan to correct the identified deficiencies, the State will define the time by which the Vendor must fulfill its corrective obligations. Final retraction of the State's termination for cause will only occur after the Vendor successfully rectifies the original violation(s). At its discretion the State may reject in writing the Vendor's proposed action plan and proceed with the original contract cancellation timeline.

2. Termination for Convenience

The State may terminate this Contract at any time by giving written notice of such termination and specifying the effective date thereof, at least twenty (20) days before the effective date of such termination. In that event, all finished or unfinished documents, data, studies, surveys, drawings, models, photographs, reports, supplies, and other materials shall, at the option of the State, become its property and the Vendor shall be entitled to receive compensation for any satisfactory work completed on such documents and other materials, and which is usable to the State.

3. Termination for Non-Appropriations

In the event the General Assembly fails to appropriate the specific funds necessary to enter into or continue the contractual agreement, in whole or part, the agreement shall be terminated as to any obligation of the State requiring the expenditure of money for which no specific appropriation is available at the end of the last fiscal year for which no appropriation is available or upon the exhaustion of funds. This is not a termination for convenience and will not be converted to such.

q. Non-discrimination

In performing the services subject to this RFP the vendor, as set forth in Title 19 Delaware Code Chapter 7 section [711](#), will agree that it will not discriminate against any employee or applicant with respect to compensation, terms, conditions or privileges of employment because of such individual's race, marital status, genetic information, color, age, religion, sex, sexual orientation, gender identity, or national origin. The successful vendor shall comply with all federal and state laws, regulations and policies pertaining to the prevention of discriminatory employment practice. Failure to perform under this provision constitutes a material breach of contract.

r. Covenant against Contingent Fees

The successful vendor will warrant that no person or selling agency has been employed or retained to solicit or secure this contract upon an agreement of understanding for a commission or percentage, brokerage or contingent fee excepting bona-fide employees, bona-fide established commercial or selling agencies maintained by the Vendor for the purpose of securing business. For breach or violation of this warranty the State of Delaware shall have the right to annul the contract without liability or at its discretion to deduct from the contract price or otherwise recover the full amount of such commission, percentage, brokerage or contingent fee.

s. Vendor Activity

No activity is to be executed in an off shore facility, either by a subcontracted firm or a foreign office or division of the vendor. The vendor must attest to the fact that no activity will take place outside of the United States in its transmittal letter.

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Failure to adhere to this requirement is cause for elimination from future consideration.

t. Vendor Responsibility

The State will enter into a contract with the successful Vendor(s). The successful Vendor(s) shall be responsible for all products and services as required by this RFP whether or not the Vendor or its subcontractor provided final fulfillment of the order. Subcontractors, if any, shall be clearly identified in the Vendor's proposal by completing Attachment 6, and are subject the approval and acceptance of Department of Human Resources.

u. Personnel, Equipment and Services

1. The Vendor represents that it has, or will secure at its own expense, all personnel required to perform the services required under this contract.
2. All of the equipment and services required hereunder shall be provided by or performed by the Vendor or under its direct supervision, and all personnel, including subcontractors, engaged in the work shall be fully qualified and shall be authorized under State and local law to perform such services.
3. None of the equipment and/or services covered by this contract shall be subcontracted without the prior written approval of the State. Only those subcontractors identified in Attachment 6 are considered approved upon award. Changes to those subcontractor(s) listed in Attachment 6 must be approved in writing by the State.

v. Fair Background Check Practices

Pursuant to 29 Del. C. [§6909B](#), the State does not consider the criminal record, criminal history, credit history or credit score of an applicant for state employment during the initial application process unless otherwise required by state and/or federal law. Vendors doing business with the State are encouraged to adopt fair background check practices. Vendors can refer to 19 Del. C. [§711\(g\)](#) for applicable established provisions.

w. Vendor Background Check Requirements

Vendor(s) selected for an award that access state property or come in contact with vulnerable populations, including children and youth, shall be required to complete background checks on employees serving the State's on premises contracts. Unless otherwise directed, at a minimum, this shall include a check of the following registry:

- Delaware Sex Offender Central Registry at:
<https://sexoffender.dsp.delaware.gov/>

Individuals that are listed in the registry shall be prevented from direct contact in the service of an awarded state contract, but may provide support or off-site premises service for contract vendors. Should an individual be identified and the Vendor(s) believes their employee's service does not represent a conflict with this requirement, may apply for a waiver to the primary agency listed in the solicitation. The Agency's decision to allow or deny access to any individual identified on a registry database is final and at the Agency's sole discretion.

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By Agency request, the Vendor(s) shall provide a list of all employees serving an awarded contract, and certify adherence to the background check requirement. Individual(s) found in the central registry in violation of the terms stated, shall be immediately prevented from a return to state property in service of a contract award. A violation of this condition represents a violation of the contract terms and conditions, and may subject the Vendor to penalty, including contract cancellation for cause.

Individual contracts may require additional background checks and/or security clearance(s), depending on the nature of the services to be provided or locations accessed, but any other requirements shall be stated in the contract scope of work or be a matter of common law. The Vendor(s) shall be responsible for the background check requirements of any authorized Subcontractor providing service to the Agency's contract.

x. Drug Testing Requirements for Large Public Works

Pursuant to 29 Del.C. [§6908\(a\)\(6\)](#), effective as of January 1, 2016, OMB has established regulations that require Contractors and Subcontractors to implement a program of mandatory drug testing for Employees who work on Large Public Works Contracts funded all or in part with public funds. The regulations establish the mechanism, standards and requirements of a Mandatory Drug Testing Program that will be incorporated by reference into all Large Public Works Contracts awarded pursuant to 29 Del.C. [§6962](#).

Final publication of the identified regulations can be found at the following:
[4104 Regulations for the Drug Testing of Contractor and Subcontractor Employees Working on Large Public Works Projects](#)

y. Work Product

All materials and products developed under the executed contract by the vendor are the sole and exclusive property of the State. The vendor will seek written permission to use any product created under the contract.

z. Contract Documents

The RFP, the purchase order, the executed contract and any supplemental documents between the State of Delaware and the successful vendor shall constitute the contract between the State of Delaware and the vendor. In the event there is any discrepancy between any of these contract documents, the following order of documents governs so that the former prevails over the latter: contract, State of Delaware's RFP, Vendor's response to the RFP and purchase order. No other documents shall be considered. These documents will constitute the entire agreement between the State of Delaware and the vendor.

aa. Applicable Law

The laws of the State of Delaware shall apply, except where Federal Law has precedence. The successful vendor consents to jurisdiction and venue in the State of Delaware.

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In submitting a proposal, Vendors certify that they comply with all federal, state and local laws applicable to its activities and obligations including:

1. the laws of the State of Delaware;
2. the applicable portion of the Federal Civil Rights Act of 1964;
3. the Equal Employment Opportunity Act and the regulations issued there under by the federal government;
4. a condition that the proposal submitted was independently arrived at, without collusion, under penalty of perjury; and
5. that programs, services, and activities provided to the general public under resulting contract conform with the Americans with Disabilities Act of 1990, and the regulations issued there under by the federal government.

If any vendor fails to comply with (1) through (5) of this paragraph, the State of Delaware reserves the right to disregard the proposal, terminate the contract, or consider the vendor in default.

The selected vendor shall keep itself fully informed of and shall observe and comply with all applicable existing Federal and State laws, and County and local ordinances, regulations and codes, and those laws, ordinances, regulations, and codes adopted during its performance of the work.

bb. Severability

If any term or provision of this Agreement is found by a court of competent jurisdiction to be invalid, illegal or otherwise unenforceable, the same shall not affect the other terms or provisions hereof or the whole of this Agreement, but such term or provision shall be deemed modified to the extent necessary in the court's opinion to render such term or provision enforceable, and the rights and obligations of the parties shall be construed and enforced accordingly, preserving to the fullest permissible extent the intent and agreements of the parties herein set forth.

cc. Assignment Of Antitrust Claims

As consideration for the award and execution of this contract by the State, the Vendor hereby grants, conveys, sells, assigns, and transfers to the State of Delaware all of its right, title and interest in and to all known or unknown causes of action it presently has or may now or hereafter acquire under the antitrust laws of the United States and the State of Delaware, regarding the specific goods or services purchased or acquired for the State pursuant to this contract. Upon either the State's or the Vendor notice of the filing of or reasonable likelihood of filing of an action under the antitrust laws of the United States or the State of Delaware, the State and Vendor shall meet and confer about coordination of representation in such action.

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dd. Scope of Agreement

If the scope of any provision of the contract is determined to be too broad in any respect whatsoever to permit enforcement to its full extent, then such provision shall be enforced to the maximum extent permitted by law, and the parties hereto consent and agree that such scope may be judicially modified accordingly and that the whole of such provisions of the contract shall not thereby fail, but the scope of such provisions shall be curtailed only to the extent necessary to conform to the law.

ee. Affirmation

The Vendor must affirm that within the past five (5) years the firm or any officer, controlling stockholder, partner, principal, or other person substantially involved in the contracting activities of the business is not currently suspended or debarred and is not a successor, subsidiary, or affiliate of a suspended or debarred business.

ff. Audit Access to Records

The Vendor shall maintain books, records, documents, and other evidence pertaining to this Contract to the extent and in such detail as shall adequately reflect performance hereunder. The Vendor agrees to preserve and make available to the State, upon request, such records for a period of five (5) years from the date services were rendered by the Vendor. Records involving matters in litigation shall be retained for one (1) year following the termination of such litigation. The Vendor agrees to make such records available for inspection, audit, or reproduction to any official State representative in the performance of their duties under the Contract. Upon notice given to the Vendor, representatives of the State or other duly authorized State or Federal agency may inspect, monitor, and/or evaluate the cost and billing records or other material relative to this Contract. The cost of any Contract audit disallowances resulting from the examination of the Vendor's financial records will be borne by the Vendor. Reimbursement to the State for disallowances shall be drawn from the Vendor's own resources and not charged to Contract cost or cost pools indirectly charging Contract costs.

gg. Other General Conditions

1. **Current Version** – “Packaged” application and system software shall be the most current version generally available as of the date of the physical installation of the software.
2. **Current Manufacture** – Equipment specified and/or furnished under this specification shall be standard products of manufacturers regularly engaged in the production of such equipment and shall be the manufacturer's latest design. All material and equipment offered shall be new and unused.
3. **Volumes and Quantities** – Activity volume estimates and other quantities have been reviewed for accuracy; however, they may be subject to change prior or subsequent to award of the contract.
4. **Prior Use** – The State of Delaware reserves the right to use equipment and material furnished under this proposal prior to final acceptance. Such use shall not constitute acceptance of the work or any part thereof by the State of Delaware.

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5. **Status Reporting** – The selected vendor will be required to lead and/or participate in status meetings and submit status reports covering such items as progress of work being performed, milestones attained, resources expended, problems encountered and corrective action taken, until final system acceptance.
6. **Regulations** – All equipment, software and services must meet all applicable local, State and Federal regulations in effect on the date of the contract.
7. **Assignment** – Any resulting contract shall not be assigned except by express prior written consent from the Agency.
8. **Changes** – No alterations in any terms, conditions, delivery, price, quality, or specifications of items ordered will be effective without the written consent of the State of Delaware.
9. **Billing** – The successful vendor is required to "Bill as Shipped" to the respective ordering agency(s). Ordering agencies shall provide contract number, ship to and bill to address, contact name and phone number.
10. **Payment** – The State reserves the right to pay by Automated Clearing House (ACH), Purchase Card (P-Card), or check. The agencies will authorize and process for payment of each invoice within thirty (30) days after the date of receipt of a correct invoice. Vendors are invited to offer in their proposal value added discounts (i.e. speed to pay discounts for specific payment terms). Cash or separate discounts should be computed and incorporated as invoiced.
11. **Purchase Orders** – Agencies that are part of the First State Financial (FSF) system are required to identify the contract number **DHR18001-COMP_STDY** on all Purchase Orders (P.O.) and shall complete the same when entering P.O. information in the state's financial reporting system.
12. **Purchase Card** – The State of Delaware intends to maximize the use of the P-Card for payment for goods and services provided under contract. Vendors shall not charge additional fees for acceptance of this payment method and shall incorporate any costs into their proposals. Additionally there shall be no minimum or maximum limits on any P-Card transaction under the contract.
13. **Additional Terms and Conditions** – The State of Delaware reserves the right to add terms and conditions during the contract negotiations.

VI. RFP Miscellaneous Information

1. No Press Releases or Public Disclosure

The State of Delaware reserves the right to pre-approve any news or broadcast advertising releases concerning this solicitation, the resulting contract, the work performed, or any reference to the State of Delaware with regard to any project or contract performance. Any such news or advertising releases pertaining to this solicitation or resulting contract shall require the prior express written permission of the State of Delaware including social media posts regarding project.

The State will not prohibit or otherwise prevent the awarded vendor(s) from direct marketing to the State of Delaware agencies, departments, municipalities, and/or any other political subdivisions, however, the Vendor shall not use the State's seal or imply preference for the solution or goods provided.

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2. Definitions of Requirements

To prevent any confusion about identifying requirements in this RFP, the following definition is offered: The words *shall*, *will* and/or *must* are used to designate a mandatory requirement. Vendors must respond to all mandatory requirements presented in the RFP. Failure to respond to a mandatory requirement may cause the disqualification of your proposal.

3. Production Environment Requirements

The State of Delaware requires that all hardware, system software products, and application software products included in proposals be currently in use in a production environment by a least three other customers, have been in use for at least six months, and have been generally available from the manufacturers for a period of six months. Unreleased or beta test hardware, system software, or application software will not be acceptable.

VII. Attachments

The following attachments and appendixes shall be considered part of the solicitation:

- Attachment 1 – No Proposal Reply Form
- Attachment 2 – Non-Collusion Statement
- Attachment 3 – Exceptions
- Attachment 4 – Confidentiality and Proprietary Information
- Attachment 5 – Business References
- Attachment 6 – Subcontractor Information Form
- Attachment 7 – Monthly Usage Report
- Attachment 8 – Subcontracting (2nd Tier Spend) Report
- Attachment 9 – Office of Supplier Diversity Application
- Attachment 11 – Minimum Response Requirements
- Appendix A – Scope of Work / Technical Requirements
- Appendix B – DHR Background Information
- Appendix C – Sample Professional Services Agreement

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IMPORTANT – PLEASE NOTE

- **Attachments 2, 3, 4, and 5 must be included in your proposal**
- Attachment 6 must be included in your proposal if subcontractors will be involved
- Attachments 7 and 8 represent required reporting on the part of awarded vendors. Those bidders receiving an award will be provided with active spreadsheets for reporting.

REQUIRED REPORTING

One of the primary goals in administering this contract is to keep accurate records regarding its actual value/usage. This information is essential in order to update the contents of the contract and to establish proper bonding levels if they are required. The integrity of future contracts revolves around our ability to convey accurate and realistic information to all interested parties.

In accordance with Executive Order 44, the State of Delaware is committed to supporting its diverse business industry and population. The successful Vendor will be required to accurately report on the participation by Diversity Suppliers which includes: minority (MBE), woman (WBE), veteran owned business (VOBE), or service disabled veteran owned business (SDVOBE) under this awarded contract. The reported data elements shall include but not be limited to; name of state contract/project, the name of the Diversity Supplier, Diversity Supplier contact information (phone, email), type of product or service provided by the Diversity Supplier and any minority, women, veteran, or service disabled veteran certifications for the subcontractor (State OSD certification, Minority Supplier Development Council, Women's Business Enterprise Council, VetBiz.gov). The format used for Subcontracting 2nd Tier report is shown as in Attachment 8.

Accurate 2nd tier reports shall be submitted to the contracting Agency's Office of Supplier Diversity at vendorusage@state.de.us on the 15th (or next business day) of the month following each quarterly period. For consistency quarters shall be considered to end the last day of March, June, September and December of each calendar year. Contract spend during the covered periods shall result in a report even if the contract has expired by the report due date.

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Attachment 1

NO PROPOSAL REPLY FORM

Contract No. DHR18001-COMP_STDY

Contract Title: DHR Comprehensive Study

To assist us in obtaining good competition on our Request for Proposals, we ask that each firm that has received a proposal, but does not wish to bid, state their reason(s) below and return in a clearly marked envelope displaying the contract number. This information will not preclude receipt of future invitations unless you request removal from the Vendor's List by so indicating below, or do not return this form or bona fide proposal.

Unfortunately, we must offer a "No Proposal" at this time because:

- _____ 1. We do not wish to participate in the proposal process.
- _____ 2. We do not wish to bid under the terms and conditions of the Request for Proposal document. Our objections are:

- _____ 3. We do not feel we can be competitive.
- _____ 4. We cannot submit a Proposal because of the marketing or franchising policies of the manufacturing company.
- _____ 5. We do not wish to sell to the State. Our objections are:

- _____ 6. We do not sell the items/services on which Proposals are requested.
- _____ 7. Other: _____

FIRM NAME

SIGNATURE

_____ We wish to remain on the Vendor's List **for these goods or services.**

_____ We wish to be deleted from the Vendor's List **for these goods or services.**

PLEASE FORWARD NO PROPOSAL REPLY FORM TO THE CONTRACT OFFICER IDENTIFIED.

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Attachment 2

CONTRACT NO.: DHR18001-COMP_STDY
CONTRACT TITLE: DHR Comprehensive Study
DEADLINE TO RESPOND: June 19, 2018 at 3:00 PM (Local Time)

NON-COLLUSION STATEMENT

This is to certify that the undersigned Vendor has neither directly nor indirectly, entered into any agreement, participated in any collusion or otherwise taken any action in restraint of free competitive bidding in connection with this proposal, **and further certifies that it is not a sub-contractor to another Vendor who also submitted a proposal as a primary Vendor in response to this solicitation** submitted this date to the State of Delaware, Department of Human Resources

It is agreed by the undersigned Vendor that the signed delivery of this bid represents, subject to any express exceptions set forth at Attachment 3, the Vendor's acceptance of the terms and conditions of this solicitation including all specifications and special provisions.

NOTE: Signature of the authorized representative **MUST** be of an individual who legally may enter his/her organization into a formal contract with the State of Delaware, Department of Human Resources.

COMPANY NAME _____	Check one)	Corporation
NAME OF AUTHORIZED REPRESENTATIVE (Please type or print) _____		Partnership
		Individual

SIGNATURE _____ TITLE _____

COMPANY ADDRESS _____

PHONE NUMBER _____ FAX NUMBER _____

EMAIL ADDRESS _____

FEDERAL E.I. NUMBER _____ STATE OF DELAWARE
LICENSE NUMBER _____

	Certification type(s)	Circle all that apply
COMPANY CLASSIFICATIONS: CERT. NO.:	Minority Business Enterprise (MBE)	Yes No
	Woman Business Enterprise (WBE)	Yes No
	Disadvantaged Business Enterprise (DBE)	Yes No
	Veteran Owned Business Enterprise (VOBE)	Yes No
	Service Disabled Veteran Owned Business Enterprise (SDVOBE)	Yes No

[The above table is for informational and statistical use only.]

PURCHASE ORDERS SHOULD BE SENT TO:
(COMPANY NAME) _____

ADDRESS _____

CONTACT _____

PHONE NUMBER _____ FAX NUMBER _____

EMAIL ADDRESS _____

AFFIRMATION: Within the past five years, has your firm, any affiliate, any predecessor company or entity, owner, Director, officer, partner or proprietor been the subject of a Federal, State, Local government suspension or debarment?

YES _____ NO _____ if yes, please explain _____

THIS PAGE SHALL HAVE ORIGINAL SIGNATURE, BE NOTARIZED AND BE RETURNED WITH YOUR PROPOSAL

SWORN TO AND SUBSCRIBED BEFORE ME this _____ day of _____, 20 _____

Notary Public _____ My commission expires _____

City of _____ County of _____ State of _____

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Attachment 5

Contract No. DHR18001-COMP_STDY
Contract Title: DHR Comprehensive Study

BUSINESS REFERENCES

List a minimum of three business references, including the following information:

- Business Name and Mailing address
- Contact Name and phone number
- Number of years doing business with
- Type of work performed

Please do not list any State Employee as a business reference. If you have held a State contract within the last 5 years, please provide a separate list of the contract(s).

1. **Contact Name & Title:**

Business Name:

Address:

Email:

Phone # / Fax #:

Current Vendor (YES or NO):

**Years Associated & Type of
Work Performed:**

2. **Contact Name & Title:**

Business Name:

Address:

Email:

Phone # / Fax #:

Current Vendor (YES or NO):

**Years Associated & Type of
Work Performed:**

3. **Contact Name & Title:**

Business Name:

Address:

Email:

Phone # / Fax #:

Current Vendor (YES or NO):

**Years Associated & Type of
Work Performed:**

STATE OF DELAWARE PERSONNEL MAY NOT BE USED AS REFERENCES.

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Attachment 6

SUBCONTRACTOR INFORMATION FORM

PART I – STATEMENT BY PROPOSING VENDOR		
1. CONTRACT NO. DHR18001-COMP_STDY	2. Proposing Vendor Name:	3. Mailing Address
4. SUBCONTRACTOR		
a. NAME	4c. Company OSD Classification: Certification Number: _____	
b. Mailing Address:	4d. Women Business Enterprise <input type="checkbox"/> Yes <input type="checkbox"/> No 4e. Minority Business Enterprise <input type="checkbox"/> Yes <input type="checkbox"/> No 4f. Disadvantaged Business Enterprise <input type="checkbox"/> Yes <input type="checkbox"/> No 4g. Veteran Owned Business Enterprise <input type="checkbox"/> Yes <input type="checkbox"/> No 4h. Service Disabled Veteran Owned Business Enterprise <input type="checkbox"/> Yes <input type="checkbox"/> No	
5. DESCRIPTION OF WORK BY SUBCONTRACTOR		
6a. NAME OF PERSON SIGNING	7. BY (<i>Signature</i>)	8. DATE SIGNED
6b. TITLE OF PERSON SIGNING		
PART II – ACKNOWLEDGEMENT BY SUBCONTRACTOR		
9a. NAME OF PERSON SIGNING	10. BY (<i>Signature</i>)	11. DATE SIGNED
9b. TITLE OF PERSON SIGNING		

*** Use a separate form for each subcontractor**

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Attachment 8

SAMPLE REPORT - FOR ILLUSTRATION PURPOSES ONLY

State of Delaware																	
Subcontracting (2nd tier) Quarterly Report																	
Prime Name:							Report Start Date:										
Contract Name/Number							Report End Date:										
Contact Name:							Today's Date:										
Contact Phone:							*Minimum Required			Requested detail							
Vendor Name*	Vendor TaxID*	Contract Name/ Number*	Vendor Contact Name*	Vendor Contact Phone*	Report Start Date*	Report End Date*	Amount Paid to Subcontractor*	Work Performed by Subcontractor UNSPSC	M/WBE Certifying Agency	Veteran /Service Disabled Veteran Certifying Agency	2nd tier Supplier Name	2nd tier Supplier Address	2nd tier Supplier Phone Number	2nd tier Supplier email	Description of Work Performed	2nd tier Supplier Tax Id	

Note: A copy of the Subcontracting Quarterly Report will be sent by electronic mail to the Awarded Vendor.

Completed reports shall be saved in an Excel format, and submitted to the following email address: vendorusage@state.de.us

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Attachment 9

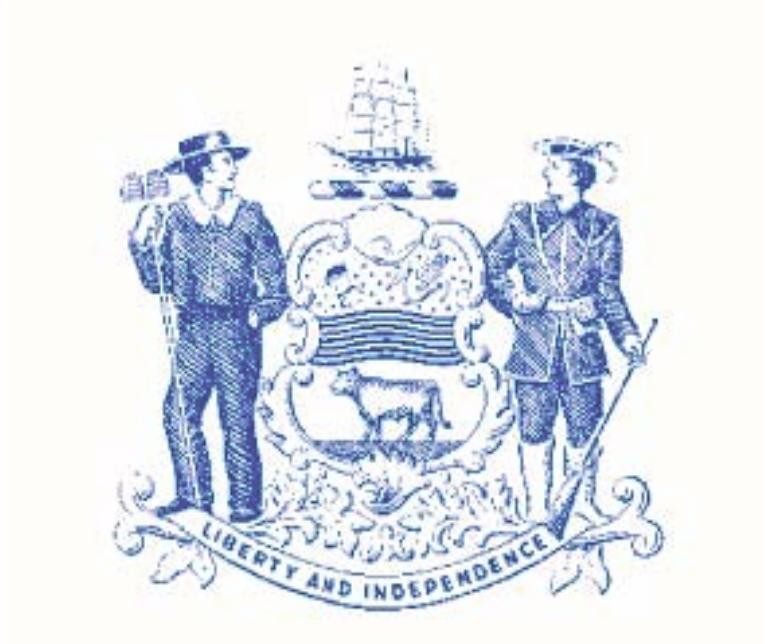
**State of Delaware
Office of Supplier Diversity
Certification Application**

The most recent application can be downloaded from the following site:

<http://gss.omb.delaware.gov/osd/certify.shtml>

Submission of a completed Office of Supplier Diversity (OSD) application is optional and does not influence the outcome of any award decision.

The minimum criteria for certification require the entity must be at least 51% owned and actively managed by a person or persons who are eligible: minorities, women, veterans, and/or service disabled veterans. Any one or all of these categories may apply to a 51% owner.



Complete application and mail, email or fax to:

Office of Supplier Diversity (OSD)
100 Enterprise Place, Suite 4
Dover, DE 19904-8202
Telephone: (302) 857-4554 Fax: (302) 677-7086
Email: osd@state.de.us
Web site: <http://gss.omb.delaware.gov/osd/index.shtml>

**THE OSD ADDRESS IS FOR OSD APPLICATIONS ONLY.
THE OSD WILL NOT ACCEPT ANY VENDOR BID RESPONSE PACKAGES.**

MINIMUM MANDATORY SUBMISSION REQUIREMENTS

Each bidding vendor is requested to provide two (2) paper copies and one (1) electronic copy of their bid submission package. One paper (1) copy must be marked as "ORIGINAL" and have original signatures where appropriate. The second paper submission should be marked "COPY", and does not have to have original signatures. The one (1) electronic copy shall be a scanned version of the entire vendor's proposal and shall be saved to CD or other electronic media device.

The proposal should be organized and indexed in the following format and should contain, at a minimum, all listed items in the sequence indicated. Narrative explanations are expected as to how the Vendor can meet the requirements described in this RFP.

- (a) Brief Vendor Cover Letter. The letter shall be signed by a representative who has the legal capacity to enter the organization into a formal contract with Department of Human Resources.
- (b) Table of Contents clearly identifying the structure of the proposal and showing page numbers for each of the required sections.
- (c) Section A-1: Executive Summary
- (d) Section A-2: Experience and Reputation (Include Attachment 5)
- (e) Section A-3: Response to Scope of Work and Technical Requirements
- (f) Section B: Cost Proposal
- (g) Financial information (balance sheets and income statements) for the past three years
- (h) One (1) complete, signed and notarized copy of the non-collusion agreement (Attachment 2). **MUST HAVE ORIGINAL SIGNATURES AND NOTARY MARK.**
- (i) One (1) completed Exceptions form (Attachment 3): This form must be provided even if no exceptions are taken.
- (j) One (1) completed Confidentiality and Proprietary Information form (Attachment 4): This form must be provided even if no confidential content is cited.
- (k) One (1) complete and signed copy of the Subcontractor Information Form (Attachment 6) for each subcontractor – if applicable.
- (l) One (1) completed OSD application (see link on Attachment 9) – if applicable.

Each item listed above will provide the basis for evaluating each vendor's proposal. **Failure to provide all appropriate information (in detail) may deem the submitting vendor as "non-responsive" and exclude the vendor from further consideration.** If an item listed above is not applicable to your company or proposal, please make note in your submission package.

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Appendix A - Scope of Work and Technical Requirements

I. EXPECTATIONS

A. Part 1 – Total Compensation - Compensation/Benefits

The objective in Part 1 is to study total compensation and review the merit Pay Plan based on current methodology and recommend any adjustments warranted to maintain competitiveness using the appropriate labor market(s). Total compensation is defined as wages and benefits.

- a) The vendor shall apply the approved labor markets and benchmark classes that will provide relevant/comparable data, including public employers such as states, municipalities, greater metropolitan areas, local, regional and federal. In addition, if appropriate identify and apply any private sector benchmarking for specific purposes.
- b) The vendor shall examine the State's Pay Plan (M37) to determine its competitiveness in the identified market and review pay range minimums as they relate to the Federal and State poverty thresholds.
- c) The vendor shall examine the State's current average wages for each benchmark class and compare to the approved labor market.
- d) The vendor shall examine the State's benefits to determine competitiveness in the identified market which will include Medical, Prescription Coverage, Employee Assistance Program, Disability Insurance, Deferred Compensation, Pension, and paid leave. The State's benefits should have a factoring value separate from wages.
- e) The vendor shall review and compare market data to the State's current M37 Pay Plan and benefits. Based on total compensation findings the vendor shall recommend structural adjustments to the Pay Plan.
- f) The vendor shall review and compare market data on average wages and benefits. Based on total compensation findings the vendor shall recommend general salary increases.
- g) The vendor shall provide strategic recommendations on a phased-in approach of (e) and (f), per year, over a 3 year period.
- h) The vendor shall provide statistical and narrative findings and the cost for the State to implement recommendations in (e), (f) and (g).

B. Part 2 – Compensation/Classification/Equity

- 1) **OBJECTIVE:** The objective of Part 2 is to review and examine the State's current business practices for compensation and classification and review statewide gender and race/ethnicity equity.
 - a) The vendor shall review the State's current compensation and classification methodology, practices, policies, laws and procedures to determine appropriateness or recommend alternatives based on best business practices to ensure equity. Include costs for the State to implement recommended alternatives.
 - b) The vendor shall conduct fact finding interviews with strategic personnel, as needed.

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- c) The vendor shall recommend appropriate computer software programs to assist in managing compensation and classification business processes and ensure uniform application to enhance equity. Include a cost estimate for the purchase of each software program.
- d) The vendor shall provide a maintenance strategy for regular review of compensation, classification, and equity.
- e) The vendor shall provide statistical and narrative findings and strategic recommendations for Part 2.

2) COMPENSATION

- a) Considering the results of Part 1, the vendor shall determine the appropriateness of the State's compensation methodology (50% line pay and M37 pay plan structure) and recommendation alternatives if warranted.
- 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.
- c) The vendor shall review and compare market data on special pays such as hazardous duty pay, shift differential pay, stand-by pay, call back pay, special overtime pay, bonuses and other special pays.
- d) The vendor shall provide best business practice on how to address compression, in general, and as a result of wages created by negotiated versus non-negotiated pay scales.

3) CLASSIFICATION

- a) The vendor shall review current classification methodology, along with the Job Evaluation Committee process for determining pay grades of new or revised classifications; evaluate appropriateness and recommend alternatives based on best business practices. Include costs for the State to implement recommended alternatives.
- b) The vendor shall provide a strategy for reviewing and updating over 1,000 class specifications to ensure they describe the work performed; that the job requirements are directly related to the duties described in the class specification and to ensure there are no inequities.

4) EQUITY

- a) The vendor shall provide a job segregation (gender, race/ethnicity) analysis by job classification, pay grade and Department. Job segregation, for this purpose, is defined as classifications without diversity in gender, race and ethnicity.
- b) The vendor shall provide a glass ceiling (gender, race/ethnicity) analysis by job classification, pay grade and Department. Glass ceiling, for this purpose, is defined as an invisible barrier that keeps a given demographic from rising beyond a certain level in a hierarchy.

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- c) The vendor shall compare wage by gender, race and ethnicity by job classification, pay grade and Department to determine if there are inequities.
- d) The vendor shall provide statistical and narrative findings and strategic recommendations with a cross tabulation analysis of variables.
- e) The vendor shall recommend strategies to address inequities and the cost for the State to implement, including methods that address any identified barriers to equity.

II. VENDOR QUALIFICATIONS

- A. Describe specific knowledge of and experience with carrying out a comprehensive study on compensation, classification, benefits, gender and race/ethnicity equity, and recommending a new Compensation and Classification Plan similar to the services requested in this Request for Proposal. Provide a sample of a prior combined study.
- B. The Vendor shall have the demonstrated ability to collect, handle and maintain sensitive and/or confidential information. The Vendor shall be willing to sign any necessary confidentiality agreements pertaining to confidential personnel information and must use secure email.
- C. The Vendor shall demonstrate their knowledge of the labor market base by providing the recommended market to be studied and detail reasoning for inclusion in the study, recommended number of benchmark classes to demonstrate a thorough comparison, and required data from the State.
- D. The Vendor shall have the demonstrated experience to conduct interviews, gather detailed information from a variety of state, federal, public sector, as well as other primary sources of information agreed upon by DHR.
- E. The Vendor shall provide a staffing plan listing those persons who will be assigned to this account, including the designation of the person who would have the primary responsibility for the engagement and the location of the office(s) where each works. Include for each person the relevant resume information including, at a minimum, a description of the person's education, relevant professional experience, and the number of years with the firm. Describe contractual relationships, if any, with other organizations that will provide services in regards to this study.
- F. Provide a timeline including milestones and deliverables for Part 1 and Part 2 and describe the approach/methodology for each part.
- G. The Vendor shall provide a detailed narrative of the methodology of the Vendor's management processes incorporating an understanding of the goals and criteria of the requested services and how the Vendor intends to meet those goals and criteria. Describe specific plans for providing the services including what, when, and how the service will be performed.
- H. Provide a sample of the Vendor's recommended format for presenting the surveyed data and findings.

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III. VENDOR RESPONSIBILITIES

A. GENERAL

1. Perform all requirements defined in the Scope of Work.
2. Conduct initial meeting with the State to discuss the process and tasks to be performed, to include reasonable dedication of key personnel, confirm the final market and benchmark classes and data required from the State to be studied.
3. Provide a comprehensive project plan and communication plan that will allow all stakeholders to stay informed throughout the project, which includes providing weekly progress reports to include percentage of completion, data collected, and findings to-date. Weekly progress meetings/conference calls may be required.
4. For both Part 1 and Part 2 recommend implementation strategies, including calculating the cost of implementing the study with a phased approach that could be executed over a multi-year period.
5. Include a report explaining the methods, techniques and data used to develop the recommendations provided for Compensation, Classification and Equity.
6. Vendor, per the contract and approved Statement of Work, shall be reimbursed only for pre-approved reasonable travel expenses incurred in the performance of contracted services. An estimate of travel costs for the project must be provided by the vendor in the cost proposal. Travel expenses shall include transportation, lodging and meals at rates not to exceed the federal rates established by the U.S. General Services Administration (GSA) which are available at <http://www.gsa.gov/perdiem>. Vendor shall use the lowest cost travel method and itinerary when making travel arrangements. Vendor shall notify the State's designee with anticipated dates and requirements of travel prior to finalizing travel arrangements. Receipts are to be attached to monthly invoice, in support of reimbursement request.

B. PART 1

1. The draft report for PART 1 is due by October 19, 2018. DHR will have comments back by October 23, 2018. The final report will be due by October 25, 2018. Submit 5 hard copies and 2 discs for both the draft and final reports.

C. PART 2

1. The draft report for PART 2 is due by February 1, 2019. DHR will have comments back by February 15, 2019. The final report will be due by February 22, 2019. Submit 5 hard copies and 2 discs for both the draft and final reports.
2. Recommend the timeframe for the roll-out of each recommendation and the internal administration and maintenance of the proposed compensation/classification plan.
3. Suggest change management strategies, such as communications and training to ensure implementation success.

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4. Recommend and identify a market position for the State, to include establishing a compensation methodology that promotes attracting and retaining qualified candidates through a competitive salary and benefits offering.

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Appendix B – DHR Background Information

A. CURRENT SYSTEMS

- Payroll Human Resource Statewide Technology (PHRST): The State's integrated Enterprise Resource Planning (ERP) system, which uses modified PeopleSoft software for Human Resources (HR), Payroll, and Benefits transactions. The system holds all compensation, classification, payroll, and benefits tables.
- Delaware Employment Link (DEL): Automated system used for applicant services.
- First State Financial (FSF): The State's automated financial system.
- E-Star: The State's automated leave system used by a number of State agencies.

Interfaces have been built where needed between DEL and PHRST and between these two systems and agency specific systems.

B. COMPENSATION

The State has two basic mid-point based pay plans, one for employees in classifications approved for a 37.5 hour work week (M37) and a second for employees in classifications approved for a 40 hour work week (M40).

The State implemented mid-point based pay scales in 1986, changing from grade/step pay plans. Our current basic pay plans continue to be mid-point based. The midpoint of each of our 26 pay grades was the amount that a seasoned employee in their job class could expect to be paid based upon the comparative job market identified for State salaries. The minimum of each pay grade is set at 80% of the midpoint and the maximum of each pay grade is set at 120% of the midpoint.

Upon implementation of the 1986 pay plan, it was projected that employees in their assigned job class would reach the midpoint of their assigned pay grade in about three to five years. This was to be accomplished through approval by the General Assembly via the State Budget process of an annual general salary increase on July 1st of each fiscal year and an annual movement through the range (MTTR) increase sometime during the remainder of the fiscal year. This policy was funded continuously from 1986 until 1991; however, since that time the plan has not been continuously funded and increases have not been consistent or predictable.

The last general salary increase was provided on October 1, 2016: the greater of 1.5% of base salary or \$750. On July 1, 2017, no general salary increase was provided. The Governor's Recommended Budget for FY2019 includes a general salary increase of a flat amount of \$1,000. The last MTTR was given in 2015. As a result not all salaries of seasoned employees in their job classification are near or at their pay grade midpoints. (DHR will provide scattergrams to show where employees fall in their pay grade midpoint)

At the time the mid-point based pay plans were implemented, a second part of our compensation methodology was to maintain a 50% payline for our pay ranges, meaning that of the organizations with whom the State compared themselves, 50% of the organizations paid more than we did and 50% paid less. An annual salary survey was to be conducted to provide decision-makers with the % we needed to increase our mid-points to maintain a 50% payline. Such annual salary surveys were consistently completed up until 2007. Adjustments to our midpoints based on these surveys were applied each year from 1986 through 2007 except for 1991 and 1993.

Therefore, a market survey to determine the adjustment needed to our midpoints to maintain a 50% pay line has not been conducted since 2007 due to economic factors. State, local, and municipal government organizations to which we should compare our salaries was included in the annual budget. Those entities used from 1986 to 2007 without significant variation included the states of: New Jersey, Pennsylvania, Maryland, New York, Virginia, North Carolina, and Massachusetts as well as the county governments of

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Delaware's three counties (Kent, Sussex, and New Castle), the cities of Dover, Wilmington, and Philadelphia, and a variety of other local and municipal government entities from New Jersey, Pennsylvania, and Maryland.

Salary Increases for Fiscal Year 1987 – Fiscal Year 2018 in the Appendix will be provided to give a detailed history of general salary increases, MTTRs, and increases to our salary ranges.

The State has a Selective Market Variation (SMV) program used to address severe recruitment and retention issues in classes where competition in the labor market has driven up the cost of obtaining individuals with certain occupational skills. The minimums for SMV pay grade ranges are set at 75% of midpoint and the maximums set at 125% of midpoint. Examples of job classes in this program include Attorneys, Real-time Court Reporters, Engineers, Hydrologists, Medical Examiners, Dentists, and Physicians.

Based on market data, classifications meeting the turnover or vacancy rate eligibility criteria have their pay ranges adjusted upwards. These adjustments are determined by calculating the difference between our mid-points and average salaries of equivalent jobs in the private labor market. If the difference is found to be greater than 15%, then the midpoints of the pay grades of the affected classes are increased by that difference. If a structural increase has been approved for the basic 37.5 hour and 40 hour pay plans, this same percentage is applied to the mid-points on the SMV pay scale. Again due to economic conditions, no market adjustments to the pay ranges of these classifications have been made since 2007.

Another factor related to Compensation is collective bargaining. In Fiscal Year 2008, Senate Bill 36 was passed becoming 29 Delaware Code §1311A which permitted for the first time, compensation bargaining for merit employees. Resulting compression and maintaining competitive salaries for non-union employees has become a concern since compensation collective bargaining was implemented. In addition, from an administrative perspective the number of pay plans maintained by the State has increased dramatically and will continue to do so as more compensation bargaining units are certified. This has had an impact on the PHRST system as the designs of these new plans were often very different from our basic plans.

Today, in addition to our basic 37.5 hour and 40 hour pay plans, the State's compensation bargaining unit pay plans, there are numerous salary matrices and blanket starting salary approvals which are used to determine how much employees are paid.

1. SALARY MATRICES

Where recruitment and retention issues exist, sometimes despite the application of the Selective Market Program range adjustments and eligibility for the SMV program is not met, salary matrices can be approved. The criteria requirements in salary matrices can be based on the accomplishment of predefined criteria. This is used to provide for compensation increases within paygrades.

The State has ~ 10 approved salary matrices.

2. BLANKET STARTING SALARY APPROVALS

Another authorized tool to enhance recruitment and retention for jobs where such issues have been documented is to provide pre-approved starting salaries for all new hires and leveling up of current incumbents. This tool is used when documentation shows that standard starting salaries are not attracting candidates or that candidates have refused job offers because of the starting salary and/or that employees are leaving their jobs in certain classifications due to compensation issues. This is used in lieu of separate, individual requests for advanced starting salaries for specific classifications. This is used to adjust entry salaries into a classification.

The State has ~ 20 approved blanket starting salaries.

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3. PREMIUM AND SPECIAL PAYS

In addition to FLSA required overtime at time and one-half for FLSA Non-Exempt employees, the State also provides the following premium or special pays.

- a) Hours Counted Towards the 40 Hour Work Week Threshold: In accordance with the State Budget epilogue and over and beyond what FLSA requires, the State counts hours physically worked by the employee PLUS any paid time off but not worked such as annual leave, vacation leave, and holiday leave.
- b) FLSA Exempt Nurses Paid at Time and One-Half: To compete with other non-State hospitals within Delaware, we pay our FLSA Exempt Nurses at time and one-half for all hours worked more than 40 in a work week.
- c) FLSA Exempt Supervisors, Departments of Correction and Services, Youth and their Families: To ensure sufficient staffing and decrease mandatory overtime, the State pays some FLSA exempt employees a special overtime rate when working in an FLSA non-exempt class.
- d) Hazard Duty Pay – Additional pay authorized by State law to employees who work in a specifically defined hazardous environment. Please see 29 Delaware Code Chapter 59 Hazard Duty Pay. We have three levels of hazard duty pay based on the frequency of exposure to the hazard and whether or not it is the duty of the employee to deal with hazard: “A1” being the highest and until recently was paid to most employees in Correctional Officer class series in the Department of Correction¹, “A” where exposure is continuing and it is employee’s job to deal with the hazard, and “B” where the exposure is proximate and where it is not the employee’s job to deal with the hazard or occasional exposure and it is the employee’s job to deal with the hazard. The supplements for the three levels are as follows:

A1	\$4,620 per year
A	\$2,320 per year
B	\$1,100 per year
- e) Shift Differential – Additional pay provided to employees who work four or more hours between the hours of 6:00 pm and 8:00 am the following day. The standard annual amount is equal to 5% of an employee’s paygrade midpoint. Some employees working in a 24/7 facility patient care facility receive 5%, 10%, 20% or 30% of their paygrade midpoint based on shifts, holidays, and weekends. Shift differential is also paid for working rotating shifts and split shifts. See Merit Rules under (F), additional resources.
- f) Call-Back Pay – Additional pay provided to FLSA Non-Exempt employees who have left their workplace at the end of their regular shift and are then unexpectedly called back in to work. The amount paid is according to the regular overtime provision or four time their regular straight time rate, whichever is greater.
- g) Stand By Pay – Additional pay provided to FLSA Non-Exempt employees who are regularly on call for an average 64 off-duty hours or more per work week. The amount paid is 5% of their pay grade midpoint, while assigned.

¹ Negotiated collective bargaining for two correctional officers’ agreements included Hazard Pay A1 into the officers’ annual salaries, therefore these groups are no longer eligible for this hazard pay.

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h) Recruitment and Referral Bonuses – The program provides incentives as follows:

- \$3,000 to new cadets which shall be paid in two installments: \$1,500 upon graduation from Correctional Officer Employee Initial Training (CEIT) and \$1,500 after 18 months from the date of initial hire; and
- \$1,000 referral incentive to existing Department of Correction employees which shall be paid in two installments: \$500 upon the referred cadets' successful completion of basic training and \$500 after the cadets' completion of 18 months of employment.

The recruitment and referral incentive may be rolled out to other classifications.

C. CLASSIFICATION

DHR is the central, executive Department that administers, maintains and revises a classification system for all positions in the classified service and all merit comparable positions so that uniform qualifications and pay ranges apply to all positions in the same classification. This classification system encompasses approximately 1200 merit and merit comparable classifications (with ~1,033 merit classifications). Overall, a position's classification is reviewed and changed via one of three mechanisms 1) Position Establishment – Creating and classifying a newly funded position; 2) Critical Reclassification (most common) – Changing a position's classification due to significant changes in job duties; and 3) Maintenance Reviews – Larger scale, periodic review of all positions in a classification, class series or Occupational Group.

DHR reviews and makes decisions on classification requests at the State level and oversee compliance of classification work with all relevant laws, rules, regulations, standards, policies and procedures. Classification requests are approved by the Secretary of DHR, Office of Management and Budget (OMB) and the Controller General in order to be effective, with the exception of Position establishments which are approved by the Secretary of DHR. Current classification processes include electronic forms, but are paper processes; information on classification requests are stored in paper files. Related classification forms and procedures can be found at <http://delawarepersonnel.com/class/index.shtml>.

1. Hay Methodology History and Process

The State of Delaware currently uses the Hay Methodology to evaluate new/revised classifications and assign an appropriate pay grade. The Hay System uses a point factor method to evaluate classifications on three primary factors including know how, problem solving, and accountability. The purpose of the Hay System is to provide a consistent process to evaluate position classifications by objectively measuring the content of each job compared to other jobs based on classification factors applied to all jobs; determining its relative worth; and establishing equitable pay relationships among all jobs. When a job is evaluated, points are assigned to each factor based on the degree or level that each factor is present, and points of all three factors are then totaled to determine the grade and corresponding salary range. The State of Delaware's standard 37.5 hour and 40 hour pay plans are comprised of 26 paygrades with a spread of 50% across each pay range and a 7% difference between pay grade midpoints.

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DHR drafts a new or revised class specification using information provided by agencies with positions in the class and Subject Matter Experts (SMEs). Once the content of a new or revised class specification is finalized, a Hay evaluation is conducted using the Hay method and a pay grade is then assigned by DHR. The class specification must then be reviewed by the Job Evaluation Committee (JEC) which is comprised of representatives from various state agencies that are trained on the Hay methodology. At a JEC meeting, DHR presents the proposed Hay evaluation and pay grade to the Committee, explains any relevant background and a SME has the opportunity to present relevant information to the Committee. The JEC then makes the final pay grade determination.

The Hay Methodology was introduced to the State in Fiscal Year 1987 when a review of all classifications was begun and completed over a span of several years using this methodology. Since 1986, DHR continued to conduct yearly maintenance reviews based on changes in the work performed by all positions in a class or class series. In 2004 the Classification Consolidation Initiative reduced the number of merit classifications from 1500 to about 1,000. However, the review did not result in evaluating classifications for pay grade changes. In 2007, maintenance reviews were discontinued due to economic conditions. In the meantime some classifications have been reviewed or created via the position establishment and reclassification processes but there have been no regular reviews conducted on the State's classifications as a whole. As a result, only about 8% of the State's merit classifications have been reviewed since 2011.

2. Classification Descriptions and Related Information

Merit classifications have class specifications that describe the summary, scope and complexity, essential functions, knowledge, skills, abilities and job requirements of position(s) in the classification. Exempt positions are excluded from classified service (not covered by the merit Rules), as defined in Delaware Code, Title 29 Chapter 5903. Exempt classifications may be directly comparable to a merit classification meaning work is significantly similar in essential functions, knowledge, skills, abilities and job requirements to the merit class it is comparable with. Some exempt classifications are not directly merit comparable such as a Division Director, and therefore are assigned a comparable pay grade based on Hay points.

Some classifications are assigned to a career ladder. Career ladders provide promotional opportunities for employees to promote from one level to the next, upon meeting promotional standards and job requirements of the next level, without competition. Current career ladders can be found at the following link: There are some classifications that agencies have asked to consider for career ladder such as Administrative Specialist I-III and Management Analyst I-III.

For a listing of the State's merit classification, Occupational Groups, and Career Ladder classifications, please see the following online:

- Alphabetical listing of merit classification class specifications:
<https://jobapscloud.com/de/auditor/classreports.asp>
- Classifications by Occupational Group:
<https://jobapscloud.com/de/auditor/OccGroups.asp>
- Career Ladder listing:
<https://jobapscloud.com/de/auditor/ClassReports.asp?Ladder=Y>

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Each classification is assigned a job code which is a unique, identifying code describing if a classification is merit, exempt, judicial, legal or casual/seasonal and what Occupational Group the class is assigned to:

Job Function Code	Job Family Title
MA	Administrative Services
MB	Public Safety
MC	Labor Trades & Crafts
MD	Health And Human Services
ME	Cultural & Information Resources Services
MF	Engineering, Planning, Technical Services
MG	Agriculture, Natural Resources, and Sciences
MO	Obsolete

Casual/Seasonal

MXA	Administrative Services
MXB	Public Safety
MXC	Labor Trades & Crafts
MXD	Health And Human Services
MXE	Cultural & Information Resources Services
MXF	Engineering, Planning, Technical Services
MXG	Agriculture, Natural Resources, and Sciences

Exempt

MUA	Administrative Services
MUB	Public Safety
MUC	Labor Trades & Crafts
MUD	Health And Human Services
MUE	Cultural & Information Resources Services
MUF	Engineering, Planning, Technical Services
MUG	Agriculture, Natural Resources, and Sciences
MUP	Exempt Official
MUQ	Exempt Board Member

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D. BENEFITS

1. Employee Healthcare and Related Benefits

State Employee Benefits Committee (SEBC) is co-chaired by the Director of the Office of Management and Budget (OMB) and Secretary of the Department of Human Resources (DHR). The Committee is comprised of the Insurance Commissioner, the Chief Justice of the Supreme Court, the State Treasurer, the Director of the Office of Management and Budget, the Controller General, the Secretary of Finance, the Secretary of Health and Social Services, the Lieutenant Governor, and the President of the Correctional Officers Association of Delaware or their designees. The Statewide Benefits Office (SBO) is a division within the DHR. The SBO functions as the administrative arm of the SEBC responsible for the administration of all statewide benefit programs with the exception of pension and deferred compensation benefits. These programs include, but are not limited to, health, prescription, dental, vision, disability, life, flexible spending accounts, wellness and disease management programs, pre-tax commuter benefits, and supplemental benefits. Visit <http://ben.omb.delaware.gov> for information about the programs.

The SBO administers the Group Health Insurance Program (GHIP) to approximately 125,000 covered lives. The medical insurance component of the program is self-insured. Eligible participants include active, retired, school district, charter school, university, community college, non-state groups, and COBRA participants and their enrolled dependents. Plan participants are primarily located within the State of Delaware, although a small number of participants reside in other states and countries.

Since July 1, 2007, the SEBC has contracted with Blue Cross Blue Shield of Delaware, now operating as Highmark Delaware, and Aetna as the Plan's third party medical claims administrators. The SEBC contracts with Wage Works for administration of COBRA and with Health Advocate for administration of employee assistance services. The dental and vision benefit plans are 100% employee pay-all and are not included with the health plan. The Pharmacy Benefit Manager (PBM) services are carved out and administered by Express Scripts.

The Disability Insurance Program (DIP) offers short-term and long-term disability benefits to employees hired into a position covered by the Delaware State Employees' Pension Plan. Disability benefits are currently offered to approximately 34,000 State employees. The DIP is a legislated program based on Title 29, Chapter 52a of the Delaware Code, enacted July 1, 2005. Effective January 1, 2006, The Hartford was selected to provide a fully-insured LTD program and administrative services for the self-insured STD program along with a small grandfathered closed group that is a self-funded LTD program. Vested employees with more than five (5) years of service were given the option to make an irrevocable election to continue coverage under the disability pension benefit or move to the new DIP effective January 1, 2006. Approximately 90% of eligible employees chose to enroll in the DIP. Effective January 1, 2006, all newly hired employees and non-vested pension eligible employees were automatically enrolled for the DIP. The State pays 100% of the cost for the DIP.

Within the DIP exists a legislated return to work (RTW) program under 29 Del. C. § 5257 that provides RTW assistance with both STD and LTD programs for both merit and non-merit employees.

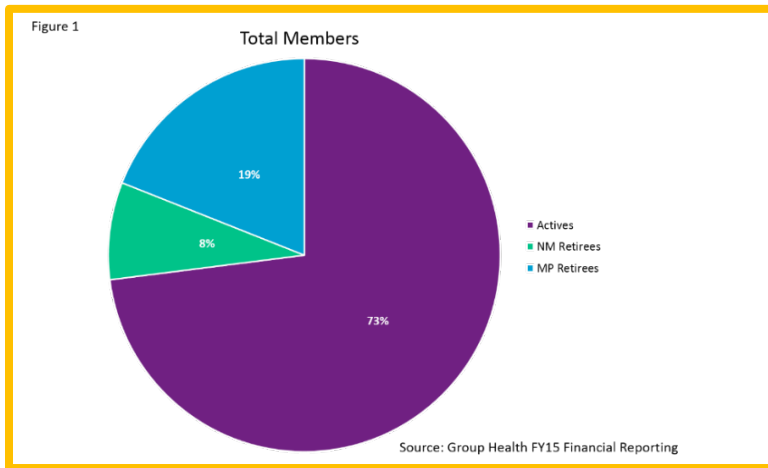
You may view all information specific to the DIP governed by the SEBC at the following web site: <http://ben.omb.delaware.gov/disability/index.shtml>.

By statute, employee unions cannot negotiate for benefits.

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2. Group Health Insurance Program Background Information

The State of Delaware Group Health Insurance Program (GHIP) provides medical and prescription benefit coverage to approximately 34,000 active employees, 5,900 non-Medicare retirees and 17,000 Medicare retirees whose benefits are extended to their spouses and dependents. Also, covered are approximately 18,000 employees, retirees and their dependents from groups that also participate in the GHIP as permitted through Delaware Code. As shown in Figure 1, active employees and dependents represent over 70% of the GHIP’s population with retirees representing the remainder.



The GHIP is self-insured and pays the actual claims (expenditures) incurred by the GHIP participants for services received under the health and prescription plans. Claim expenses represent approximately 96% of the GHIP’s total expenditures. The SEBC is responsible for design of the plans available to the GHIP’s participants and setting premium rates that can support the projected expenses of the GHIP. The percentage of employee and employer share of the premium rates is established in Delaware Code as are the actual plan offerings available to employees and retirees.²

Due to restrictions placed on the GHIP by the Delaware Code, the SEBC cannot employ one of the more traditional levers to manage cost, i.e., shifting additional cost to plan participants through higher premium cost sharing (see chart below). Further, while increased cost sharing through plan design continues to be an option available to the SEBC, there has been limited support for increasing member out-of-pocket costs at the point of care, particularly in the absence of sufficient resources that would allow members to make an informed decision about their costs. The SEBC’s efforts to promote additional health care consumerism have also been hindered by the low enrollment in the GHIP consumer directed plan option (i.e., <5% of the covered population).

² Delaware Code, Title 29, Chapter 52 Web Address: <http://delcode.delaware.gov/title29/c052/index.shtml>

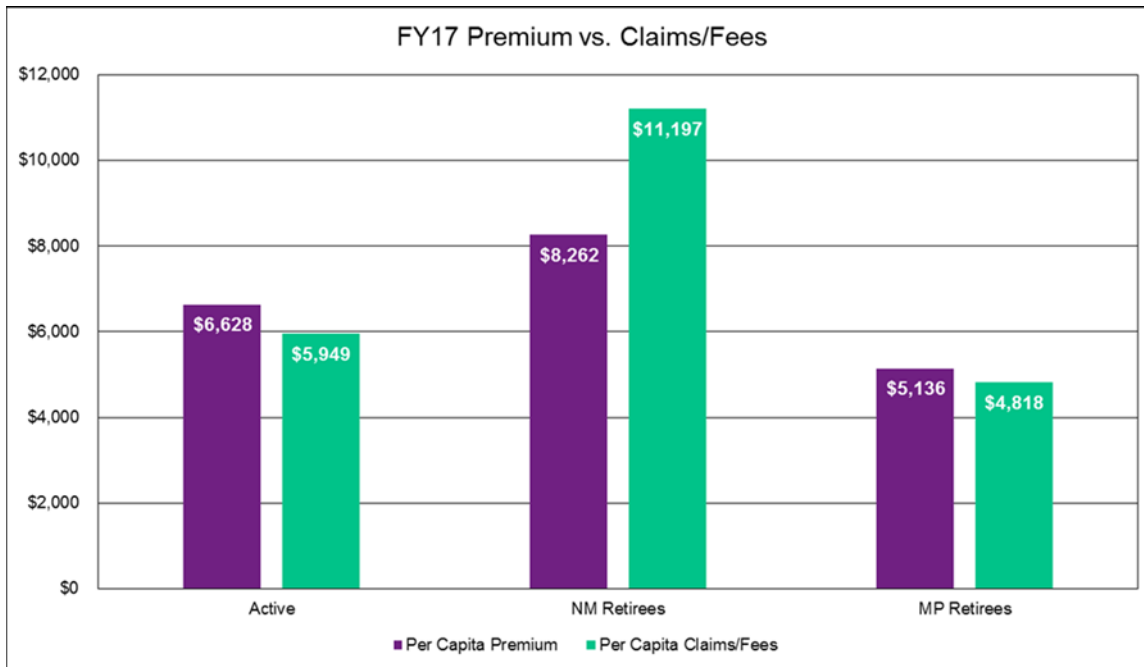
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	Actives	Non Medicare	Medicare Primary
Premium Cost Share Percentage Split	State/Employee	State/Retiree	State/Retiree
Highmark Comprehensive PPO	86.75%/13.25%	86.75%/13.25%	
Highmark & Aetna HMO	93.5%/6.5%	93.5%/6.5%	
Highmark & Aetna Consumer Directed	95.0%/5.0%	95.0%/5.0%	
Highmark First State Basic	96.0%/4.0%	96.0%/4.0%	
Highmark Special Medicfill Supplement			100%/0%* 95.0%/5.0%**

*Retirees with full state share who retired before July 1, 2012

**Retirees with full state share who retired after July 1, 2012

The active and non-Medicare populations have always paid the same premium rates for each plan; however, the actual claims (expenditures) of the non-Medicare retiree population are significantly higher than the active population as illustrated in the chart below. The Medicare population receives secondary medical coverage through the GHIP as well as prescription drug benefits through an Employer Group Waiver Medicare Part D plan implemented in calendar year 2013. The premium rates for the Medicare population are more closely aligned with the actual claims (expenditures) of the population.



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The following table outlines the actuarial value of each plan based upon in-network benefits as compared to a few sample plan designs available through the Marketplace. The State funds on average, 91.4% of the total premium of the plans.

	Sample Gold Plan**	Highmark First State Basic Plan	Highmark & Aetna CDHP (with HRA)	Sample Platinum Plan**	Highmark PPO	Highmark & Aetna HMO
Actuarial Value	80%	86.1%	87.0%	90%	90.3%	90.6%
Deductible (Single/Family)	\$900/\$1,800	\$500/\$1,000	\$1,500/\$3,000 +1,250/2,500 HRA	None	\$0/\$0	\$0/\$0
Out of Pocket Maximum (Single/Family) Medical Only	\$4,500/\$9,000	\$2,000/\$4,000	\$4,500/\$9,000	\$4,500/\$9,000	\$4,500/\$9,000	\$4,500/\$9,000
In-Network Coinsurance	25%	10% Coinsurance	10% Coinsurance	10%	0%	0%
Primary Care	\$30	10% Coinsurance	10% Coinsurance	\$20	\$20	\$15
Specialist	\$50	10% Coinsurance	10% Coinsurance	\$40	\$30	\$25
Inpatient Facility	25% Coinsurance	Deductible & Coinsurance	Deductible & Coinsurance	\$200	\$150	\$150
Emergency Room	\$300	Deductible & Coinsurance	Deductible & Coinsurance	\$200	\$150	\$150
Out-of-Network Coinsurance	40%	30%	30%	30%	20%	N/A
Prescription Drug Benefit						
30-day Retail	\$10/\$40/\$80	\$8/\$28/\$50	\$8/\$28/\$50	\$5/\$20/\$50	\$8/\$28/\$50	\$8/\$28/\$50
90-day Retail & Mail	\$25/\$100/\$200	\$16/\$56/\$100	\$16/\$56/\$100	\$10/\$50/\$125	\$16/\$56/\$100	\$16/\$56/\$100
Out-of-Pocket Maximum (Single/Family)	\$2,100/\$4,200	\$2,100/\$4,200	\$2,100/\$4,200	\$2,100/\$4,200	\$2,100/\$4,200	\$2,100/\$4,200
Current Enrollment (as of 2016)						
As % of total	n/a	2%	3%	n/a	47.5%	47.5%

*Actuarial Value based on in-network benefits only, out-of-network feature increases value slightly.

**Sample Plan designs with split out of pocket maximums, medical and drug, and not specific to Delaware marketplace.

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Several points should be noted about the CDH Gold plans with a Health Reimbursement Account (HRA):

- Members receive an annual contribution from the State to fund the HRA, in the amount of \$1,250 for single coverage/\$2,500 for family coverage
- The full amount of the annual HRA contribution is made available to members on the first day of the plan year (July 1)
- The HRA can be used to pay for medical expenses during the deductible period and/or to pay other out of pocket costs incurred by the member
- Prescription copays do not count toward the deductible or out-of-pocket maximums and are not eligible for payment using the HRA
- Any available HRA funds are automatically used when the third party administrators adjudicate medical claims. Members are responsible for any remaining balance owed to the medical provider, and will receive an Explanation of Benefits (EOB) or Explanation of Payment (EOP) that shows any remaining payments required. It is the member’s responsibility to follow-up with the provider to pay any remaining balance.
- Unused HRA funds will carry over to the next year as long as member remains enrolled in a Consumer-Directed Health Plan through the State of Delaware
- When a new hire enrolls in a Consumer-Directed Health Plan outside of the annual enrollment process or an employee changes tier level mid-year (an example: from individual to family), the HRA is prorated in accordance with the effective date of the enrollment or change in tier level. The chart below provides the time periods and level of proration:

Date of Enrollment or Tier Change	HRA Fund per Individual	HRA Fund per Family
July 1 – September 30	\$1,250.00	\$2,500.00
October 1 – December 31	\$937.50	\$1,875.00
January 1 – March 31	\$625.00	\$1,250.00
April 1 – June 30	\$312.50	\$625.00

The deductible remains the same regardless of date of enrollment or tier change.

3. GHIP Historical Review

Important to note is the passage of House Bill 81 during the 146th General Assembly³ in 2011. This legislation marked the first and only significant change in State employee and retiree benefits since the onset of rising healthcare costs experienced nationally at the turn of the century. It represented the collective work of the administration, legislature and unions representing the majority of State employees, all of whom recognized the changing landscape and financial hardships being faced by public sector

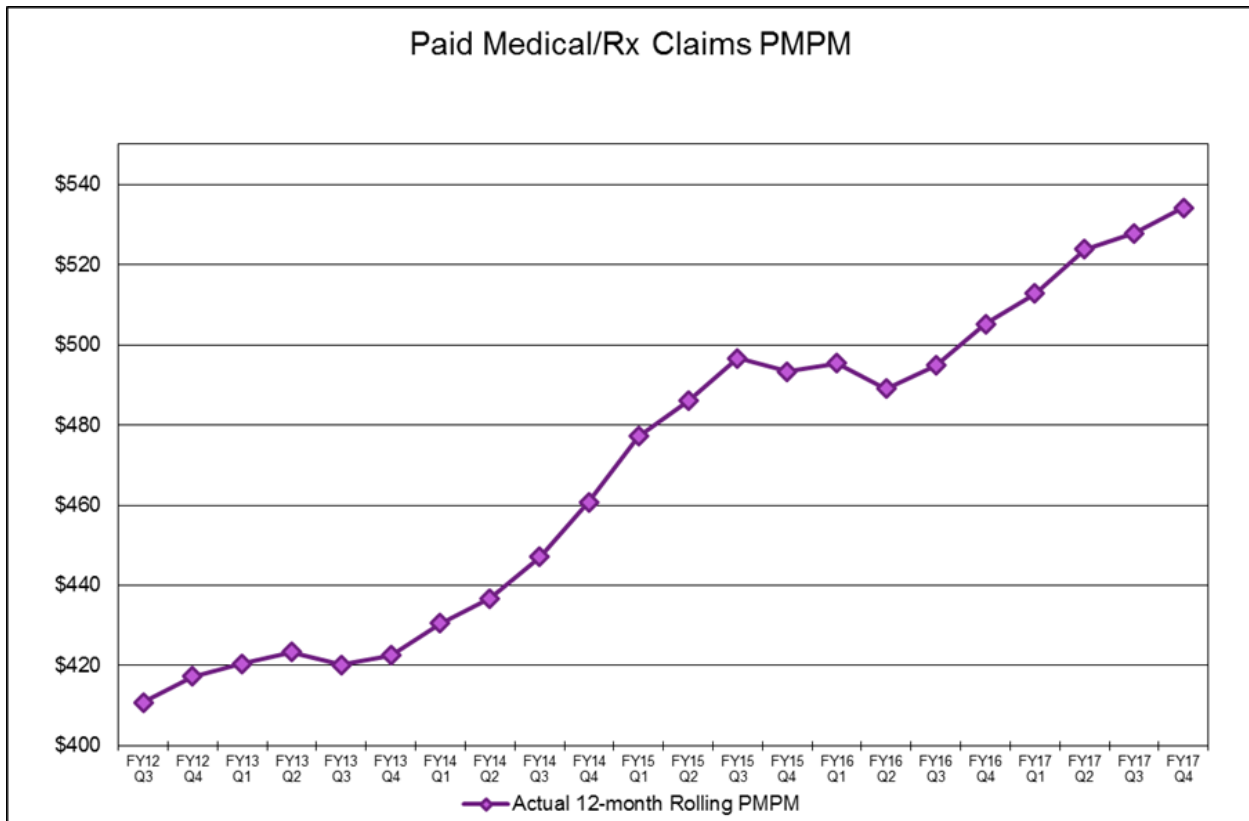
³ The legislature meets on a part-time basis from January through June each year.

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employers with regards to controlling costs and preserving health and pension benefits. The impetus behind House Bill 81 was the \$80M deficit and contentious FY11 GHIP budget process. The cost sharing structure outlined previously was one of many outcomes of the legislation. Other changes included:

- Elimination of a free health plan replaced with a 4% cost share for employees and non-Medicare retirees enrolled in the First State Basic plan;
- A 5% cost share for Medicare retirees enrolled in the Medicare Supplement plan who retired after July 1, 2012;
- Slight increases in the number of service years required to vest for specific percentage of the State share for retiree health benefits; and
- The elimination of Double State Share for new employees as well as a flat \$25 per month per contract for employees who remained eligible for Double State Share.⁴
- Prior to the passage of House Bill 81, the SEBC's authority and responsibilities were the same; however, the absence of a set employee/retiree cost share left the SEBC with the added responsibility of balancing the GHIP budget through either plan design changes or increases in the employee/retiree share of the total premium rates.

While House Bill 81 did make changes and accomplished the intended objective of bringing the State employee and retiree health benefits in line with what was more common in the public sector environment, the growth rates experienced by the GHIP have continued to far exceed the State Operating budget growth.



Employee and retiree healthcare was the largest cost driver in the State Operating Budget for FY16.

⁴ See 29 Del. C. § 5202(d) for complete details at <http://delcode.delaware.gov/title29/c052/index.shtml>

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Included in epilogue in the FY16 Operating Budget bill was language requiring the formation of the State Employees Health Plan Task Force to study the State Group Health Plan with the purpose of finding cost savings and efficiencies. The Task Force Final Report is available for review at <http://ben.omb.delaware.gov/hptf/index.shtml>.

The report focuses on several short-and-long term actions for considerations, which are segmented by the following categories:

- a) Bending the cost curve
- b) Exploring opportunities to realign provider payments
- c) Benchmarking GHIP plans and costs on a comparable basis
- d) Improving the health of the population

According to the report⁵, the State of Delaware’s health risk in 2014 was higher than the nationwide average, indicating a higher than average illness burden in the State of Delaware population⁶. Additionally, the risk score of the population increased 20% for 2014 versus 2013. Another concerning finding from this report indicated that the State’s prevalence for key chronic conditions such as diabetes and hypertension were approximately 10% greater in the GHIP population compared to the state benchmark.

E. Additional Resources

Document	Location
37.5 Hour Pay Plan (M37)	http://www.delawarepersonnel.com/class/pg/375.shtml
40 Hour Pay Plan M40)	http://www.delawarepersonnel.com/class/pg/40.shtml
SMV Pay Plans 37.5 Hours (SMV)	
Attorneys	http://www.delawarepersonnel.com/class/pg/smv_at.shtml
Court Reporters	http://www.delawarepersonnel.com/class/pg/smv_cr.shtml
Engineers	http://www.delawarepersonnel.com/class/pg/smv_eg.shtml
Equipment Operators/Mechanic	http://www.delawarepersonnel.com/class/pg/smv_eoms.shtml
Hydrologists	http://www.delawarepersonnel.com/class/pg/smv_hy.shtml
Master Electricians	http://www.delawarepersonnel.com/class/pg/smv_meem_375.shtml
Forensic DNA Analysts	http://www.delawarepersonnel.com/class/pg/smv_ome.shtml
Pharmacists	http://www.delawarepersonnel.com/class/pg/smv_ph_375.shtml
Physicians	http://www.delawarepersonnel.com/class/pg/smv_dr.shtml
Registered Nurses	http://www.delawarepersonnel.com/class/pg/smv_rn.shtml
Corrections 37.5	http://www.delawarepersonnel.com/class/pg/smv_co_375.shtml
State Auditors	http://www.delawarepersonnel.com/class/pg/smv_sa.shtml
Medical Examiners	http://www.delawarepersonnel.com/class/pg/smv_me.shtml
S40 Pay Plans 40 Hours (S40)	
Correctional Officers/Wardens	http://www.delawarepersonnel.com/class/pg/smv_co_40.shtml

⁵ Final Report of the State Employees Health Plan Task Force, December 15, 2015, is at: <http://ben.omb.delaware.gov/hptf/documents/task-force-report.pdf>.

⁶ Data reported by Truven Health Analytics, the data warehouse to the GHIP

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% of Midpoint Scattergrams	PHRST report with data parameter to be run as appropriate
Salary Increases FY87-FY18	Document will be provided
FY18 Budget Act, please refer to Sections 8, 9, 10, and 11 for Compensation	https://legis.delaware.gov/BillDetail?LegislationId=26205
FY19 Budget Act	Link to be provided when available
FY19 Governor's Recommended Budget	https://legis.delaware.gov/BillDetail?legislationId=26298
Ivy Report	https://omb.delaware.gov/documents/DiversityInclusionStudy.pdf
State of Delaware Merit Rules, please refer to Chapter 4 for Compensation	https://merb.delaware.gov/state-merit-rules/
Delaware Code, Title 29, Chapter 59 Chapter 55, Pensions Chapter 60A, Deferred Compensation	http://delcode.delaware.gov/title29/c059/index.shtml
Pay Plans, Salary Matrices, Blanket Starting Salaries Descriptions	Report will be provided.

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Appendix C – Sample Professional Services Agreement

Appendix C is included with this RFP and provides bidders with an opportunity to review the Professional Services Agreement that will be executed between the awarded vendor(s) and the State.

Appendix C **should not** be included in a respondent's proposal.

Any exceptions a respondent may have to Appendix C must be listed on Attachment 3 of the RFP. Attachment 3 must be included in the respondent's proposal. Exceptions not listed on Attachment 3 will not be considered at any point in the evaluation or award process.