

**REQUEST FOR PROPOSALS FOR**  
**Evaluation and Analysis of Executive Organizational Structure**

**ISSUING OFFICE**  
**Pennsylvania Turnpike Commission**  
**Human Resources Department**

**RFP NUMBER**

**RFP 11-10380-3374**

**DATE OF ISSUANCE**

**November 8, 2011**

# **REQUEST FOR PROPOSALS FOR**

## **Evaluation and Analysis of Executive Organizational Structure**

**11-10380-3374**

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## PART I

### GENERAL INFORMATION FOR PROPOSERS

**I-1. Purpose.** This request for proposals (RFP) provides interested Proposers with sufficient information to enable them to prepare and submit proposals for consideration by the Pennsylvania Turnpike Commission (Commission) to evaluate and analyze the Commission's current Executive organizational structure, and if appropriate, recommend changes to the organizational structure.

**I-2. Issuing Office.** This RFP is issued for the Commission by the Human Resources Department.

**I-3. Scope.** This RFP contains instructions governing the proposals to be submitted and the material to be included therein; a description of the service to be provided; requirements which must be met to be eligible for consideration; general evaluation criteria; and other requirements to be met by each proposal.

**I-4. Problem Statement.** The primary objective of entering into an agreement with an outside agent for these purposes is to ensure that the Commission's Executive level is organized in an efficient and effective manner.

**I-5. Type of Contract.** It is proposed that if a contract is entered into as a result of this RFP, it will be a time and materials based contract with a not-to-exceed limit. The Commission may in its sole discretion undertake negotiations with Proposers whose proposals as to price and other factors show them to be qualified, responsible, and capable of performing the work.

**I-6. Rejection of Proposals.** The Commission reserves the right to reject any and all proposals received as a result of this request, or to negotiate separately with competing Proposers.

**I-7. Subcontracting.** Any use of subcontractors by a Proposer must be identified in the proposal. During the contract period use of any subcontractors by the selected Proposer that were not previously identified in the proposal must be approved in advance in writing by the Commission.

A firm that responds to this solicitation as a prime may not be included as a designated subcontractor to another firm that responds to the same solicitation. **Multiple responses under any of the foregoing situations may cause the rejection of all responses of the firm or firms involved.** This does not preclude a firm from being set forth as a designated subcontractor to more than one prime contractor responding to the project advertisement.

**I-8. Incurring Costs.** The Commission is not liable for any costs the Proposer incurs in preparation and submission of its proposal, in participating in the RFP process or in anticipation of award of contract.

**I-9. Questions and Answers.** Written questions may be submitted to clarify any points in the RFP which may not have been clearly understood. Written questions should be submitted by email to [RFP-Q@paturndpike.com](mailto:RFP-Q@paturndpike.com) with RFP 11-10380-3374 in the Subject Line to be received no later than **November 21, 2011 by 12:00 p.m. local time.** All questions and written answers will be posted to the website as an addendum to and become part of this RFP.

**I-10. Addenda to the RFP.** If it becomes necessary to revise any part of this RFP before the proposal response date, addenda will be posted to the Commission's website under the original RFP document. It is the responsibility of the Proposer to periodically check the website for any new information or addenda to the RFP.

The Commission may revise a published advertisement. If the Commission revises a published advertisement less than ten days before the RFP due date, the due date will be extended to maintain the minimum ten-day advertisement duration if the revision alters the project scope or selection criteria. Firms are responsible to monitor advertisements/addenda to ensure the submitted proposal complies with any changes in the published advertisement.

**I-11. Response.** To be considered, proposals must be delivered to the Pennsylvania Turnpike Commission's Contracts Administration Department, Attention: Wanda Metzger on or before **12:00 p.m. local time, December 7, 2011**. The Pennsylvania Turnpike Commission is located at 700 South Eisenhower Boulevard, Middletown, PA 17057 (Street address). Our mailing Address is P. O. Box 67676, Harrisburg, PA 17106-7676.

**Please note that use of U.S. Mail, FedEx, UPS, or other delivery method, does not guarantee delivery to this address by the above-listed time for submission.** Proposers mailing proposals should allow sufficient delivery time to ensure timely receipt of their proposals. If the Commission office location to which proposals are to be delivered is closed on the proposal response date, due to inclement weather, natural disaster, or any other cause, the deadline for submission shall be automatically extended until the next Commission business day on which the office is open. Unless the Proposers are otherwise notified by the Commission, the time for submission of proposals shall remain the same.

**I-12. Proposals.** To be considered, Proposers should submit a complete response to this RFP, using the format provided in PART II. Each proposal should be submitted in **eight (8) hard copies and one (1) complete and exact copy of the technical and cost proposal on CD-ROM in Microsoft Office or Microsoft Office-compatible format** to the Contract Administration Department. No other distribution of proposals will be made by the Proposer. Each proposal page should be numbered for ease of reference. Proposals must be signed by an official authorized to bind the Proposer to its provisions and include the Proposer's Federal Identification Number. For this RFP, the proposal must remain valid for at least **120** days. Moreover, the contents of the proposal of the selected Proposer will become contractual obligations if a contract is entered into.

Each and every Proposer submitting a proposal specifically waives any right to withdraw or modify it, except as hereinafter provided. Proposals may be withdrawn by written or telefax notice received at the Commission's address for proposal delivery prior to the exact hour and date specified for proposal receipt. However, if the Proposer chooses to attempt to provide such written notice by telefax transmission, the Commission shall not be responsible or liable for errors in telefax transmission. A proposal may also be withdrawn in person by a Proposer or its authorized representative, provided its identity is made known and it signs a receipt for the proposal, but only if the withdrawal is made prior to the exact hour and date set for proposal receipt. A proposal may only be modified by the submission of a new sealed proposal or submission of a sealed modification which complies with the requirements of this RFP.

**I-13. Economy of Preparation.** Proposals should be prepared simply and economically, providing a straightforward, concise description of the Proposer's ability to meet the requirements of the RFP.

**I-14. Discussions for Clarification.** Proposers who submit proposals may be required to make an oral or written clarification of their proposals to the Issuing Office to ensure thorough mutual understanding and Proposer responsiveness to the solicitation requirements. The Issuing Office will initiate requests for clarification.

**I-15. Best and Final Offers.** The Issuing Office reserves the right to conduct discussions with Proposers for the purpose of obtaining "best and final offers." To obtain best and final offers from Proposers, the Issuing Office may do one or more of the following: a) enter into pre-selection negotiations; b) schedule oral presentations; and c) request revised proposals. The Issuing Office will limit any discussions to responsible Proposers whose proposals the Issuing Office has determined to be reasonably susceptible of being selected for award.

**I-16. Prime Proposer Responsibilities.** The selected Proposer will be required to assume responsibility for all services offered in its proposal whether or not it produces them. Further, the Commission will consider the selected Proposer to be the sole point of contact with regard to contractual matters.

**I-17. Proposal Contents.** Proposals will be held in confidence and will not be revealed or discussed with competitors, unless disclosure is required to be made (i) under the provisions of any Commonwealth or United States statute or regulation; or (ii) by rule or order of any court of competent jurisdiction. If a contract is executed, however, the successful proposal submitted in response to this RFP shall be subject to disclosure. All material submitted with the proposal becomes the property of the Pennsylvania Turnpike Commission and may be returned only at the Commission's option. Proposals submitted to the Commission may be reviewed and evaluated by any person other than competing Proposers at the discretion of the Commission. The Commission has the right to use any or all ideas presented in any proposal. Selection or rejection of the proposal does not affect this right.

In accordance with the Pennsylvania Right-to-Know Law (RTKL), 65 P.S. § 67.707 (Production of Certain Records), Proposers shall identify any and all portions of their Proposal that contains confidential proprietary information or is protected by a trade secret. Proposals shall include a written statement signed by a representative of the company/firm identifying the specific portion(s) of the Proposal that contains the trade secret or confidential proprietary information.

Proposers should note that "trade secrets" and "confidential proprietary information" are exempt from access under Section 708(b)(11) of the RTKL. Section 102 defines both "trade secrets" and "confidential proprietary information" as follows:

Confidential proprietary information: Commercial or financial information received by an agency: (1) which is privileged or confidential; **and** (2) the disclosure of which would cause substantial harm to the competitive position of the person that submitted the information.

Trade secret: Information, including a formula, drawing, pattern, compilation, including a customer list, program, device, method, technique or process that: (1) derives independent economic value, actual or potential, from not being generally known to and not being readily ascertainable by proper means by other persons who can obtain economic value from its disclosure or use; **and** (2) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. The term includes data processing software by an agency under a licensing agreement prohibiting disclosure.

65 P.S. §67.102 (emphasis added).

The Office of Open Records has determined that a third party must establish a trade secret based upon factors established by the appellate courts, which include the following:

- the extent to which the information is known outside of his business;
- the extent to which the information is known by employees and others in the business;
- the extent of measures taken to guard the secrecy of the information;
- the value of the information to his business and to competitors;
- the amount of effort or money expended in developing the information; and
- the ease of difficulty with which the information could be properly acquired or duplicated by others.

*See Crum v. Bridgestone/Firestone North Amer. Tire.*, 907 A.2d 578, 585 (Pa. Super. 2006).

The Office of Open Records also notes that with regard to “confidential proprietary information the standard is equally high and may only be established when the party asserting protection shows that the information at issue is either ‘commercial’ or ‘financial’ and is privileged or confidential, and the disclosure **would** cause substantial competitive harm.” (emphasis in original).

For more information regarding the RTKL, visit the Office of Open Records’ website at [www.openrecords.state.pa.us](http://www.openrecords.state.pa.us).

**I-18. Debriefing Conferences.** Proposers whose proposals are not selected will be notified of the name of the selected Proposer and given the opportunity to be debriefed, at the Proposer’s request. The Issuing Office will schedule the time and location of the debriefing. The Proposer will not be compared with other Proposers, other than the position of its proposal in relation to all other proposals.

**I-19. News Releases.** News releases pertaining to this project will not be made without prior Commission approval, and then only in coordination with the Issuing Office.

**I-20. Commission Participation.** Unless specifically noted in this section, Proposers must provide all services to complete the identified work. The Human Resources Department will provide Commission-specific documentation necessary to complete the identified work.

**I-21. Cost Submittal.** The cost submittal shall be placed in a separately sealed envelope within the sealed proposal and kept separate from the technical submittal. **Failure to meet this requirement may result in disqualification of the proposal.**

**I-22. Term of Contract.** The term of the contract will commence on the Effective Date (as defined below) and will end one year from the Effective Date. The Commission shall fix the Effective Date after the contract has been fully executed by the Contractor and by the Commission and all approvals required by Commission contracting procedures have been obtained.

**I-23. Proposer's Representations and Authorizations.** Each Proposer by submitting its proposal understands, represents, and acknowledges that:

- a. All information provided by, and representations made by, the Proposer in the proposal are material and important and will be relied upon by the Issuing Office in awarding the contract(s). Any misstatement, omission or misrepresentation shall be treated as fraudulent concealment from the Commission of the true facts relating to the submission of this proposal. A misrepresentation shall be punishable under 18 Pa. C.S. 4904.
- b. The price(s) and amount of this proposal have been arrived at independently and without consultation, communication or agreement with any other Proposer or potential Proposer.
- c. Neither the price(s) nor the amount of the proposal, and neither the approximate price(s) nor the approximate amount of this proposal, have been disclosed to any other firm or person who is a Proposer or potential Proposer, and they will not be disclosed on or before the proposal submission deadline specified in the cover letter to this RFP.
- d. No attempt has been made or will be made to induce any firm or person to refrain from submitting a proposal on this contract, or to submit a proposal higher than this proposal, or to submit any intentionally high or noncompetitive proposal or other form of complementary proposal.
- e. The proposal is made in good faith and not pursuant to any agreement or discussion with, or inducement from, any firm or person to submit a complementary or other noncompetitive proposal.
- f. To the best knowledge of the person signing the proposal for the Proposer, the Proposer, its affiliates, subsidiaries, officers, directors, and employees are not currently under investigation by any governmental agency and have not in the last four (4) years been convicted or found liable for any act prohibited by State or Federal law in any jurisdiction, involving conspiracy or collusion with respect to bidding or proposing on any public contract, except as disclosed by the Proposer in its proposal.
- g. To the best of the knowledge of the person signing the proposal for the Proposer and except as otherwise disclosed by the Proposer in its proposal, the Proposer has no outstanding, delinquent obligations to the Commonwealth including, but not limited to, any state tax liability not being contested on appeal or other obligation of the Proposer that is owed to the Commonwealth.

- h. The Proposer is not currently under suspension or debarment by the Commonwealth, or any other state, or the federal government, and if the Proposer cannot certify, then it shall submit along with the proposal a written explanation of why such certification cannot be made.
- i. The Proposer has not, under separate contract with the Issuing Office, made any recommendations to the Issuing Office concerning the need for the services described in the proposal or the specifications for the services described in the proposal.
- j. Each Proposer, by submitting its proposal, authorizes all Commonwealth agencies to release to the Commission information related to liabilities to the Commonwealth including, but not limited to, taxes, unemployment compensation, and workers' compensation liabilities.



## PART II

### INFORMATION REQUIRED FROM PROPOSERS

Proposals must be submitted in the format, including heading descriptions, outlined below. To be considered, the proposal must respond to all requirements in this part of the RFP. Any other information thought to be relevant, but not applicable to the enumerated categories, should be provided as an appendix to the proposal. Each proposal shall consist of two (2) separately sealed submittals. The submittals are as follows: (i) Technical Submittal, in response to Sections II-1 through II-6 hereof; (ii) Cost Submittal, in response to Section II-7 hereof.

The Commission reserves the right to request additional information which, in the Commission's opinion, is necessary to assure that the Proposer's competence, number of qualified employees, business organization, and financial resources are adequate to perform according to the RFP.

The Commission may make such investigations as deemed necessary to determine the ability of the Proposer to perform the work, and the Proposer shall furnish all such information and data for this purpose as requested by the Commission. The Commission reserves the right to reject any proposal if the evidence submitted by, or investigation of, such Proposer fails to satisfy the Commission that such Proposer is properly qualified to carry out the obligations of the agreement and to complete the work specified.

**II-1. Statement of the Problem.** State in succinct terms your understanding of the problem presented or the service required by this RFP.

**II-2. Management Summary.** Include a narrative description of the proposed effort and a list of the items to be delivered or services to be provided.

**II-3. Work Plan.** Describe in narrative form your technical plan for accomplishing the work. Use the task descriptions in Part IV of this RFP as your reference point. Modifications of the task descriptions are permitted; however, reasons for changes should be fully explained. Indicate the number of person hours allocated to each task.

**II-4. Prior Experience.** Include experience with particular emphasis in the analysis of organizational structures. Also, include experience completing salary studies, and evaluating manager to employee ratios. Experience shown should be work done by individuals who will be assigned to this project as well as that of your company. Studies or projects referred to should be identified and the name of the customer shown, including the name, address, and telephone number of the responsible official of the customer, company, or agency who may be contacted.

**II-5. Personnel.** Include the number, and names where practicable, of executive and professional personnel, analysts, auditors, researchers, programmers, consultants, etc., who will be engaged in the work. Show where these personnel will be physically located during the time they are engaged in the work. Include through a resume or similar document education and experience analyzing organizational structures. Indicate the responsibilities each will have in this project and how long each has been with your company. Identify subcontractors you intend to use and the services they will perform.

**II-6. DBE/MBE/WBE Information.** The Turnpike Commission is committed to the inclusion of disadvantaged, minority, and woman firms in contracting opportunities. Responding firms shall clearly identify DBE/MBE/WBE firms, expected to participate in this contract, in their Proposal. Proposed DBE/MBE/WBE firms must be certified by the Pennsylvania Department of General Services ([www.dgs.state.pa.us](http://www.dgs.state.pa.us)) or the Pennsylvania Unified Certification Program ([www.paucp.com](http://www.paucp.com)) at the time of the submission of the proposal. While D/M/WBE participation is not a requirement for this RFP, inclusion of D/M/WBEs is encouraged. **If further information is desired concerning DBE/MBE/WBE participation,** direct inquiries to the Pennsylvania Turnpike Commission's Contract Administration Department by calling (717) 939-9551 Ext. 4241.

**II-7. Cost Submittal.** The information requested in this section shall constitute your cost submittal. **The Cost Submittal shall be placed in a separate sealed envelope within the sealed proposal, separate from the technical submittal.**

Proposers should **not** include any assumptions in their cost submittals. If the proposer includes assumptions in its cost submittal, the Issuing Office may reject the proposal. Proposers should direct in writing to the Issuing Office pursuant to Part I-9 of this RFP any questions about whether a cost or other component is included or applies. All proposers will then have the benefit of the Issuing Office's written answer so that all proposals are submitted on the same basis.

The total cost you are proposing must be broken down into the following components:

- a. Direct Labor Costs.** Itemize to show the following for each category of personnel with a different rate per hour:
  - (1) Category: e.g., partner, project manager, analyst, senior auditor, research associate.
  - (2) Estimated hours.
  - (3) Rate per hour. (if "loaded" rates are used, please provide breakdowns of these rates by indicating amount of overhead, profit, or any other factor that is included in rate).
  - (4) Total cost for each category and for all direct labor costs.
- b. Subcontract Costs.** Itemize as in (a) above. If there are no subcontract costs in your proposal, so state.
- c. Cost of Supplies and Materials.** Itemize.
- d. Other Direct Costs.** Itemize (travel, subsistence, etc...). If there are no other direct costs in your proposal, so state.
- e. Total Cost.** Inclusive of items a. to d. (listed above).

**Any costs not provided in the cost proposal will be assumed as no charge to the Commission.**

**The selected Proposer shall only perform work on this contract after the Effective Date is affixed and the fully-executed contract sent to the selected Proposer. The Commission shall issue a written Notice to Proceed to the selected Proposer authorizing the work to begin on a date which is on or after the Effective Date. The selected Proposer shall not start the performance of any work prior to the date set forth in the Notice of Proceed and the Commission shall not be liable to pay the selected Proposer for any service or work performed or expenses incurred before the date set forth in the Notice to Proceed. No Commission employee has the authority to verbally direct the commencement of any work under this Contract.**

## PART III

### CRITERIA FOR SELECTION

**III-1. Mandatory Responsiveness Requirements.** To be eligible for selection, a proposal should be (a) timely received from a Proposer; (b) properly signed by the Proposer; and (c) formatted such that all cost data is kept separate from and not included in the Technical Submittal.

**III-2.** Proposals will be reviewed and evaluated and rated by a Technical Evaluation Team (TET) of qualified personnel selected by the Commission. The TET will present the evaluations to the Professional Services Procurement Committee who will establish an order or ranking and recommend for selection the proposal that most closely meets the requirements of the RFP and satisfies Commission needs. Award will only be made to a Proposer determined to be responsive and responsible in accordance with Commonwealth Management Directive 215.9, Contractor Responsibility Program.

**III-3.** The following criteria will be used, in order of relative importance from the highest to the lowest, in evaluating each proposal:

**a. Understanding the Problem.** This refers to the Proposer's understanding of the Commission needs that generated the RFP, of the Commission's objectives in asking for the services or undertaking the study, and of the nature and scope of the work involved.

**b. Proposer Qualifications.** This refers to the ability of the Proposer to meet the terms of the RFP, especially the time constraint and the quality, relevancy, and recency of studies and projects completed by the Proposer. This also includes the Proposer's financial ability to undertake a project of this size.

**c. Soundness of Approach.** Emphasis here is on the techniques for collecting and analyzing data, sequence and relationships of major steps, and methods for managing the service/project. Of equal importance is whether the technical approach is completely responsive to all written specifications and requirements contained in the RFP and if it appears to meet Commission objectives.

**d. Personnel Qualifications.** This refers to the competence of professional personnel who would be assigned to the job by the Proposer. Qualifications of professional personnel will be measured by experience and education, with particular reference to experience on studies/services similar to that described in the RFP. Particular emphasis is placed on the qualifications of the project manager.

**e. Cost.** While this area may be weighted heavily, it will not normally be the deciding factor in the selection process. The Commission reserves the right to select a proposal based upon all the factors listed above, and will not necessarily choose the firm offering the best price. The Commission will select the firm with the proposal that best meets its needs, at the sole discretion of the Commission.

**f. DBE/MBE/WBE Participation.** This refers to the inclusion of D/M/WBE firms, as described in Part II-6, and the extent to which they are expected to participate in this contract. Participation will be measured in terms of total dollars committed to certified D/M/WBE firms.

## PART IV

### WORK STATEMENT

#### IV-1. Objectives.

**a. General.** The Commission is seeking professional services from a firm that will perform an evaluation and analysis of the Commission's Executive level organizational structure.

**b. Specific.** The Commission is seeking professional services from a firm that will primarily perform an evaluation and analysis of the Commission's Executive level organization structure to determine whether the current design is appropriate/efficient.

*If the vendor recommends changes to the Executive level organizational structure*, the vendor should also secondarily review the Commission's Executive level salaries to see if the recommended change to the organizational structure would result in recommended changes to Executive level salaries, as well potential changes to the manager to employee ratios.

#### IV-2. Nature and Scope of the Project.

**a. Background.** The PTC is an independent agency of the Commonwealth of Pennsylvania. The PA Turnpike is a key transportation route within the state of Pennsylvania and a vital link in the network of the eastern United States. The Turnpike is 536 miles in length with 60 fare collection facilities, 20 service plazas, two welcome centers, 21 maintenance buildings, 8 State Police barracks and 5 tunnels ([www.paturnpike.com](http://www.paturnpike.com)).

There are approximately 2,100 active employees of the Commission who work in various locations throughout the state including three administrative offices: the Central Administration Office in Middletown, PA, the Eastern Regional Office in King of Prussia, PA, and the Western Regional Office in New Stanton, PA.

**b. Scope.** Currently there are 19 Executive level positions in the Commission, which includes the Chief Executive Officer, Chief Operating Officer, and 17 other Executive level positions that report directly to the Chief Operating Officer.

The Commission's pay structure has 21 pay grades for approximately 460 Management/Local 30 Supervisory employees. Of these 21 pay grades, 8 are non-exempt pay grades and 13 are exempt. Each pay grade has 20 specific salary levels (steps) compiling the range, with approximately 2.1% difference between each step. The Commission uses the HAY Methodology (point system based on Know-How, Problem Solving and Accountability) to evaluate positions and determine a position's pay grade. This structure and methodology will remain the same.

**IV-3. Requirements.** Tasks identified in Part IV-4 should be covered. Your proposal should include a performance guarantee covering the quality, timeliness and accuracy of your processes and outcome achieved through the execution of your contracted services.

**IV-4. Tasks.** The Commission has prepared the following list of suggested tasks necessary for completion of this project, which shall be used as a basis for the preparation of the proposal. Additional tasks or modifications to the task list that the firm deems will produce a more effective project, should be included in the proposal, and outlined as an attachment to the proposal.

- A. Meet with the Issuing Office to validate the scope of services, methodology and timeline for this project.
- B. Review the Commission's background materials including, Executive level job descriptions, organizational structure, Executive level salaries and pay grades/ranges, and related materials.
- C. Evaluate and analyze the Commission's Executive level organizational structure.
  - a. Review the Commission's entire organizational structure to gain an understanding of how the departments correlate.
  - b. Compare the Commission's Executive level organizational structure against comparative organizations and markets, with an emphasis on other toll agencies.
  - c. Evaluate the Commission's Executive level organizational structure using the latest theories and best practices in organizational structure design to determine whether the Commission's Executive level is designed in the most efficient and effective manner.
  - d. Conduct a meeting with the Issuing Office to discuss preliminary findings and sample organizational structures. The goal of this meeting is to identify the organizational structure outline which would be the best fit for the Commission.
  - e. If appropriate based on findings in Part IV-4.C.d. above, recommend changes to the organizational structure.
- D. *If there are recommended changes to the Executive level organizational structure*, the vendor should also secondarily review the Executive level salaries and manager to employee ratios.

D1: Review Executive level salaries

- a. Compare the Commission's Executive level pay grades/ranges and salaries against internal positions to ensure internal pay equity.
- b. Identify the Commission's competitive market and choose organizations and external markets for compare, with an emphasis on other toll agencies. Comparative organizations should also be selected based on the following criteria: industry, geography and organization size.
- c. Use existing salary databases, or if necessary, conduct a salary survey to evaluate the Commission's Executive level positions/salaries with comparative organizations/external markets, with an emphasis on other toll agencies.
- d. Determine if the Commission's Executive level salaries are competitive internally as well as with comparative organizations/external markets and other toll agencies.
- e. If appropriate based on findings in Part IV-4.D1.d. above, recommend changes to salaries.

D2: Review manager to employee ratio

- a. Review the Commission's manager to employee (supervisory to non-supervisory) ratio and manager span of control.

- b. Evaluate if the Commission's manager to employee ratio and spans of control are in line with comparative organizations/external markets and other toll agencies.
  - c. If appropriate based on findings in Part IV-4.D2.b. above, recommend changes that would modify the Commission's manager to employee ratio to be more in line with comparative organizations/external markets and other toll agencies.
- E.** For Part IV-4.C, and if necessary, Parts IV-4.D1 and IV-4.D2 above, develop and present draft of findings/recommendations and impact studies including costs and the potential future impact(s) of recommended changes to the Issuing Office.
- F.** Present final draft of findings/recommendations to Executive staff, as well as at a Commission meeting at the address listed in Part I-11 above (two in-person meetings).

#### **IV-5. Reports and Project Control.**

- a. Task Plan.** Indicate the activities, responsibilities (both yours and the Commission's), timetable and services you will provide. The Commission anticipates that a draft final report will be completed within 4 months of the notice to proceed.
- b. Status Report.** A bi-weekly conference call and/or report covering activities, tasks completed and problem identification/resolution.
- c. Problem Identification Report.** An "as required" report, identifying problem areas. The report should describe the problem and its impact on the overall project and on each affected task. It should list possible courses of action with advantages and disadvantages of each, and include Proposer recommendations with supporting rationale.
- d. Final Report.** The final report should specify the following:
  1. Abstract or summarize the result of the study or service in terminology that will be meaningful to management and others.
  2. Describe data collection, analytical and other techniques used during the process, including the assumptions and information used.
  3. Summarize findings, conclusions, and recommendations developed in each task.
  4. Include all supporting documentation; e.g., flow charts, forms, questionnaires, information gathered, findings, etc.

## **Addendum No. 1**

RFP #11-10380-3374

### **Evaluation and Analysis of Executive Organizational Structure**

**Prospective Respondents: You are hereby notified of the following information in regard to the referenced RFP:**

#### **REVISIONS**

1. Page 11 of 13, Item IV-3 (Requirements), the 2<sup>nd</sup> sentence is revised to read:  
  
“Your proposal should include a performance guarantee covering the quality, timeliness and accuracy of your processes for the contracted services.”
2. Page 8 of 13, Item II-7 (Cost Submittal-Direct Labor Costs), Item a.3 is revised to read:

“Rate per hour.”

#### **ADDITIONS**

##### **Insurance Requirements**

(a) **General.** Do not commence work under the contract until all insurance, and insurers, under this section have been obtained and approved by the Commission. Before or at the execution of a Contract, provide the Commission with certificates of insurance evidencing the coverage required. Have all primary and excess liability policies contain the following clause: "Thirty (30) days written notice of any cancellation, non-renewal, limit or coverage reduction is to be sent to the Commission by Certified Mail."

The preceding is subject to existing Commonwealth of Pennsylvania statutory cancellation provisions relating to non-payment of premium and misrepresentation by the insured. Maintain the insurance described herein until the work is completed and a Final Certificate of Completion has been issued. All insurance policies must be written by an Insurance Company licensed and authorized to do business in Pennsylvania and acceptable to the Commission. Have all insurance policies and certificates signed by a resident Pennsylvania Agent of the issuing Company. However, in the case of an eligible surplus lines insurer, have all policies and certificates also signed by a party duly authorized to bind, on behalf of the eligible surplus lines insurer, the certified coverage's.

(b) **Worker's Compensation and Employer's Liability Insurance.** Take out, pay for and maintain during the life of the contract, Worker's Compensation Insurance in statutory required limits for the protection of all employees. Provide, pay for and



maintain during the life of the contract, Employer's Liability Insurance in limits of not less than \$100,000 bodily injury each accident, \$500,000 bodily injury by disease, and \$100,000 bodily injury by disease each employee.

(c) **Commercial General Liability Insurance.** Includes: Products/Completed Operations; Blanket Contractual Liability - All Written & Oral Contracts; premises and operations liability; explosion, collapse and underground; personal injury; independent contractors; broad form property damage; severability of interests provisions; personal injury and advertising liability; premises medical payments; host liquor liability; fire damage legal liability - real property; incidental malpractice (including employees); non-owned watercraft; and automatic coverage for newly acquired entities. The minimum required limits for the Commercial General Liability policy will be as follows:

- \$2,000,000 Each Occurrence; \$2,000,000 in aggregate

(d) **Professional Liability Insurance** - \$1,000,000

(e) The Commercial General Liability policy will name the Pennsylvania Turnpike Commission, and the Commonwealth of Pennsylvania as an Additional Insured.

(f) **Proof of Insurance.** Before commencing work, furnish to the Commission three original certificates of insurance outlining the coverage's detailed above. The certificate will also indicate the Additional Insured status of the Commission and the appropriate cancellation/non-renewal notice wording.

The insurance company certificates will be in standard ACORD form and will contain the address and phone number of the insurance company or insurance agent. If appropriate, the Commission reserves the right to request certified copies of the contractor's insurance coverage's.

**Following are the answers to questions submitted in response to the above referenced RFP as of November 21, 2011. All of the questions have been listed verbatim, as received by the Pennsylvania Turnpike Commission.**

1. The RFP includes a "performance guarantee covering the quality, timeliness and accuracy of your processes and outcome achieved through the execution of your contracted services". While the successful firm can make an assurance on quality, timeliness and accuracy, it's difficult to provide a similar promise covering the "outcome achieved" portion given external circumstances. Can you elaborate on that performance expectation?

**Answer: See revision number 1 above.**

2. The RFP indicates that the award of this contract will result in a time and materials (T&M) based contract. Yet, the Cost Submittal Instructions (II-7 a. 3) indicate the requirement of offerors to submit the breakdown of the fully loaded hourly rates for all of the labor categories including the amount of overhead, profit, and any other

factors. Given the T&M nature of this contract, would the Pennsylvania Turnpike Commission allow offerors to provide prices per hour that are currently established in either an existing commercial price list or existing GSA Schedule listing of prices per hour, thereby removing the breakdown requirement? In either scenario, commercial rates or GSA prices, the proposing organization could establish that these rates have been either deemed fair and reasonable by the Federal Government or are deemed fair and reasonable due to acquisition in the commercial marketplace.

**Answer: See revision number 2 above. The information in the parentheses in Part II-7.a.3 has been deleted through this addendum. Part II-7.a.3. should solely read “Rate per hour.”**

3. The Cost Submittal (II-7) asks for estimated hours of work by labor category. Will the Turnpike Commission allow us to provide estimated hours by deliverable (recognizing that, for instance, Task D, Section IV-4 will be performed only if there are recommended changes to the organizational structure)?

**Answer: Estimated work hours should be listed by labor category as directed in Part II-7 of the RFP.**

- 3.a. If we are permitted to break costs down by deliverable, is there a particular deliverable structure that the Turnpike would prefer we use?

**Answer: Not applicable.**

- 3.b. Will costs be evaluated by comparing deliverable costs among vendors, by comparing total costs, or through some combination of costs and prices?

**Answer: Costs will be evaluated by comparing all information from vendors submitted in response to Part II-7.**

4. On the DBE/MBE/WBE requirements, does the PTC have any goal in mind for the submission?

**Answer: No.**

5. Are the 36 Executive level positions all located in the 21 pay grade system?

**Answer: The 19 Executive level positions are all located in the 21 pay grade system.**

6. Since each pay grade has 20 specific salary levels (steps), can you provide more information on the salary level and pay grade for each of the 36 Executive level positions?

**Answer: Salary level and pay grade for the 19 Executive level positions will be provided to the vendor awarded the contract.**

7. Can you provide insight into the tenure information of each incumbent of the 36 Executive level positions (e.g., the date when s/he took the position, months/years in the organization)?

**Answer: Tenure information for each incumbent of the 19 Executive level positions will be provided to the vendor awarded the contract.**

8. Can you provide additional information on the components of the Executive pay? Is salary the only pay component that needs to be analyzed? Are you interested in analyzing any bonus, benefits and/or other executive perquisites?

**Answer: There is no bonus structure for any positions at the Commission. Salary will be the only component analyzed.**

9. Can you provide insight into how long the current Organization Structure has been in place?

**Answer: May 2003.**

10. Regarding Section IV-D1 a., do you have internal positions against which you would like the 36 Executive Level positions benchmarked, or will they be identified during the project? How many internal benchmarking positions do you use? How many incumbents are in the internal benchmarking positions?

**Answer: Internal benchmarking for the 19 Executive level positions will be discussed/decided with the vendor awarded the contract.**

11. Can you provide us with the latest Organizational Chart reflecting the correlations of the 36 Executive level positions?

**Answer: As listed in the RFP in Part IV-2.b., there is a Chief Executive Officer, a Chief Operating Officer, and 17 other Executive level positions *that report directly to the Chief Operating Officer.***

12. Regarding Section IV-D1b., are you only interested in benchmarking the Executive positions against similar organizations within Pennsylvania or within Northeast Region or nationwide?

**Answer: Pennsylvania, Northeast Region, and nationwide comparisons will be useful.**

13. Are there any tolling agencies the PTC feels is a better fit for comparables than others?

**Answer: This information will be discussed/decided with the vendor awarded the contract.**

14. What is your perspective on the impact of Hay Point System on the current pay structure? Are there specific areas you wish to improve?

**Answer: The Commission is content with the Hay point system.**

15. What type of internal and/or external benchmarking have you done for the Executive positions? What were the major issues or concerns? Have any corrective actions been taken since the benchmarking?

**Answer: Comparisons with internal positions, HAY scoring and comparison with external companies with similar positions. No major issues or concerns and no corrective actions have been taken since the initial grading of the positions.**

16. Are you experiencing any recruitment, retention and attrition issues for any of the 36 Executive positions? If so, what positions are facing the greatest challenges?

**Answer: There are no recruitment, retention or attrition issues for the 19 Executive positions at the Commission.**

All other terms, conditions and requirements of the original RFP dated **November 8, 2011** remain unchanged unless modified by this Addendum.