

REQUEST FOR PROPOSALS FOR

**Analysis of Organizational Structure, Recruiting,
Employee Performance and Compensation Practices**

ISSUING OFFICE

Pennsylvania Turnpike Commission

Human Resources Department

RFP NUMBER

RFP 13-10380-4222

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REQUEST FOR PROPOSALS FOR
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Employee Performance and Compensation Practices

TABLE OF CONTENTS

Part I	- GENERAL INFORMATION FOR PROPOSERS	1
Part II	- INFORMATION REQUIRED FROM PROPOSERS	10
Part III	- CRITERIA FOR SELECTION	13
Part IV	- WORK STATEMENT	15

APPENDIX A – PROPOSAL COVER SHEET

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 satisfy a need for an analysis of the Commission's current organizational structure, recruiting, employee performance and compensation practices.

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 organizational design is set up in an efficient and effective way, recruiting and performance evaluation system are effective, and compensation structure and practices are set up to provide salaries commensurate with assigned duties and is current with relevant labor markets.

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, which 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@paturnpike.com with **RFP 13-10380-4222** in the Subject Line to be received no later than **12:00 PM** local time on **Tuesday, May 28, 2013**. 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 PM** local time on **Monday, June 17, 2013**. 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.

Please note that use of U.S. Mail, FedEx, UPS, or other delivery method, does not guarantee delivery to the Contracts Administration Department 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 **six (6)** hard copies of the Technical Submittal and **six (6)** hard copies of the Cost Submittal. In addition to the hard copies of the proposal, **two (2) complete and exact copy of the entire proposal (Technical and Cost, along with all requested documents) on CD-ROM or Flash Drive in Microsoft Office or Microsoft Office-compatible format.** The electronic copy must be a mirror image of the hard copy. Proposer should ensure that there is no costing information in the technical submittal. The CD or Flash drive should clearly identify the Proposer and include the name and version number of the virus scanning software that was used to scan the CD or Flash drive before it was submitted. The Proposer shall present the proposal to the Contracts Administration Department only. No other distribution of proposals will be made by the Proposer. Each proposal page should be numbered for ease of reference.

An official authorized to bind the Proposer to its provisions must sign the proposal. If the official signs the Proposal Cover Sheet (Appendix A to this RFP) and the Proposal Cover Sheet is attached to the proposal, the requirement will be met. 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 fax notice (fax number (717) 986-8714) received at the Commission's address for proposal delivery prior to the exact hour and date specified for proposal receipt.

Overnight Delivery Address:
Contracts Administration Department
Attn: Wanda Metzger
Director of Contracts Administration
PA Turnpike Commission
700 South Eisenhower Blvd.
Middletown, PA 17057

US Mail Delivery Address:
Contracts Administration Department
Attn: Wanda Metzger
Director of Contracts Administration
PA Turnpike Commission
P.O. Box 67676
Harrisburg, PA 17106

However, if the Proposer chooses to attempt to provide such written notice by fax transmission, the Commission shall not be responsible or liable for errors in fax transmission. A proposal may also be withdrawn in person by a Proposer or its authorized representative, provided his/her identity is made known and he/she 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 solicitation.

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 through the Contract Administration Department to ensure thorough mutual understanding and Proposer responsiveness to the solicitation requirements. The Issuing Office through the Contract Administration Department 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. 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.

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.

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-related 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.

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 date of execution, or at the conclusion of the compensation study, whichever is earlier. 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 Issuing Office 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 response section of 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.

I-24. Insurance.

A. General Insurance Requirements

1. The Professional Services shall not commence until the Professional Service Contractor has obtained, at their own expense, all of the insurance as required hereunder and such insurance has been approved by the Commission; nor shall the Professional Service Contractor allow any Subcontractor to commence work on any Commission projects until all insurance required of the Subcontractor has been so obtained and approved by the Contractor. Approval of insurance required of the Professional Service Contractor will be granted only after submission to the Commission, original certificates of insurance signed by the representatives of the insurers or, at the Commission's request, certified copies of the required insurance policies.
2. The Professional Service Contractor shall require all Subcontractors to maintain during the term of the Contract Commercial General Liability Insurance, Business Auto Liability Insurance, Professional Liability Insurance (if applicable), Pollution Liability Insurance (if applicable), and Workers' Compensation and Employers Liability Insurance at the same limits required of Professional Service Contractor.
3. All insurance required herein, with the exception of the Professional / Errors and Omissions Liability Insurance shall be written on an "occurrence" basis and not a "claims-made" basis. For Professional Liability "claims-made" coverage:
 - a. The retroactive date must be on or prior to the start of work under this contract; and
 - b. The Subcontractor must purchase "tail coverage/an extended reporting period" or maintain coverage for a period of three years – the required completed operations period.
4. The Commission, its commissioners, agents, servants, employees and representatives shall be named as additional insured on the Contractor's liability (General Liability, Automobile Liability and Umbrella Liability insurance) insurance program with respect to the liability arising out of the Contractor's work (including products and completed operations as well as ongoing operations) and the certificate of insurance, or the certified policy, if required, must also state this. This coverage should be provided, along with evidence of such coverage, for a period of two years after completion of the project.

5. All insurance policies required hereunder shall be endorsed to provide that the policy is not subject to cancellation, non-renewal, or material reduction in coverage until thirty (30) days prior written notice has been given to the Owner.
6. Insurance provided to the Commission as specified herein shall be primary and non-contributory.
7. No acceptance and/or approval of any insurance by the Commission shall be construed as relieving or excusing the Professional Service Contractor or the Professional Service Contractor's Surety (if applicable) from any liability or obligation imposed upon either or both of them by provisions of this Contract.
8. Any deductibles or self-insured retention's of (\$10,000) or greater shall be disclosed by the Professional Service Contractor, and are subject to Commissions written approval. Any deductible or retention amounts elected by the Professional Service Contractor or imposed by the Professional Service Contractor's insurer(s) shall be the sole responsibility of the Professional Service Contractor.
9. All insurance companies shall have an AM Best's rating of A- or better and be licensed to do business in the State of Pennsylvania.
10. There shall be no liability upon the Commission, public officials, their employees, their authorized representatives, or agents either personally or as officials of the Commission in carrying out any of the provisions of the Contract nor in exercising any power or authority granted to them by or within the scope of the Contract, it being understood that in all such matters they act solely as agents and representatives of the Commission.
11. Waiver of Rights of Recovery and Waiver of Rights of Subrogation:
 - a. The Contractor and subcontractors waive all rights of recovery against the Owner and all the additional insured's for loss or damage covered by any of the insurance maintained by the contractor or subcontractor.
 - b. If any of the policies of insurance required under this contract require an endorsement to provide for the waiver of subrogation, then the named insured of such policies will cause them to be so endorsed.
12. Any type of insurance or any increase in limits of liability not described above which the contractor requires for its own protection or on account of statute shall be its own responsibility and at its own expense.

B. Professional Service Contractor Liability Insurance Requirements

- The Professional Service Contractor shall purchase the following insurance coverage's for the minimum limits specified below or required by law.
- **Commercial General Liability** insurance for bodily injury, personal injury, and property damage including loss of use, etc. with minimum limits of:

\$1,000,000	each occurrence;
\$1,000,000	personal and advertising injury;
\$2,000,000	general aggregate; and

\$2,000,000 products/completed operation aggregate.

This insurance shall include coverage for all of the following:

- Coverage is to be provided by the standard Commercial General Liability insurance policy (“Occurrence Form”);
 - General aggregate limit applying on a per project/ location basis;
 - Liability arising from premises and operations;
 - Liability arising from the actions of independent contractors;
 - Contractual liability including protection for the Professional Service Contractor from bodily injury and property damage claims arising out of liability assumed under this Contract;
 - Liability arising from the explosion, collapse or underground (XCU) hazards (If Applicable)
 - Products/Completed Operations Coverage must be maintained for a period of at least two (2) years after final payment (including coverage for the Additional Insured’s as set forth in these Insurance Requirements).
- **Business Auto Liability** insurance with a minimum limit of \$1,000,000 per accident and including, but not limited to, coverage for all of the following:
 - Liability arising out of the ownership, maintenance or use of any auto;
 - Auto non-ownership and hired car coverage
 - Contractual Liability Coverage (including Liability for Employee Injury assumed under a Contract as provided in the standard ISO policy form)
 - **Workers’ Compensation** insurance with statutory benefits as required by any state or federal law, including standard “other states” coverage; **employer’s liability** insurance with minimum limits of:
 - \$1,000,000 each accident for bodily injury by accident;
 - \$1,000,000 each employee for bodily injury by disease; and
 - \$1,000,000 policy limit for bodily injury by disease.
 1. Including Waiver of Right to Recover from Others Endorsement (WC 00 0313) where permitted by state law.
 2. United States Longshore & Harbor Workers Act Coverage, where applicable; and
 3. Maritime Coverage under the Jones Act, where applicable.
 - **Professional Liability:** Service Contractors (such as, but not limited to Architects, Engineers, Attorneys, Financial Advisors, Marketing Professionals, Physicians and Risk Management Consultants) shall provide professional liability and/or malpractice insurance with minimum limits of \$1,000,000.
 - **Umbrella Liability or Excess Liability** insurance with minimum limits of:
 - \$5,000,000 per occurrence;
 - \$5,000,000 aggregate for other than products/completed operations and auto liability; and
 - \$5,000,000 products/completed operations aggregate.

Policy to apply excess of the Commercial General Liability (following form, Per Project / location), Commercial Automobile Liability and Employers Liability Coverage.

C. Indemnification

The Contractor shall protect, defend, indemnify and hold harmless the Commission, and their agents and employees from and against all liability (including liability for violation of any law or any common law duty), claims, damages, losses, and expenses including attorneys' fees arising in connection with, out of, or resulting from the performance of the work, provided that any such liability, claim, damage, loss or expense (i) is attributable to bodily injury, sickness, disease, or death, or to any statutory or regulatory rule designed to protect against such conditions, or to injury to or destruction of tangible property (other than the work itself), and including the loss of the use resulting there from, and (ii) is caused by or results from, in whole or in part, any act or omission of the Contractor, any Subcontractor, Sub-subcontractor(s), anyone direct or indirectly employed by any of them or anyone for whose acts any of them may be liable, regardless of whether or not it is also caused by or results from any act or omission of any party indemnified hereunder.

In any and all claims against the Commission or any of their agents or employees, by an employee of the Contractor, Subcontractor, or any Sub-subcontractor, or anyone directly or indirectly employed by any of them, or anyone for whose acts any of them may be liable, the indemnification obligation shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for any Contractor, Subcontractor or any Sub-subcontractor under Workmen's Compensation Acts, Disability Benefits Acts, or other Employee.

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 Part II-1 through II-7 hereof; (ii) Cost Submittal, in response to Part II-8 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 to the Issuing Office 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-4 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 personhours allocated to each task.

II-4. Prior Experience. Include a detailed description of your organization's experience in compensation, with specific emphasis on analyzing organizational design, salary structures and performance evaluation systems. 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, 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 in analyzing organizational structures, performance evaluation systems and compensation practices. 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. Training. If appropriate, indicate recommended training of Commission personnel. Include the personnel to be trained, the number to be trained, duration of the program, place of training, curricula, training materials to be used, number and frequency of sessions, and number and level of instructors.

II-7. Commitment to Diversity and Inclusion. 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 the Contract, in their Proposal. Proposed DBE/MBE/WBE firms must be certified by the Pennsylvania Unified Certification Program (www.paucp.com) at the time of the submission of the proposal. The utilization of disadvantaged, minority and women-owned businesses are encouraged and will be considered a factor in the evaluation determination.

II-8. 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 but not limited to 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.
 - (4) Total cost for each category and for all direct labor costs.
- b. Travel and Subsistence.** Itemize transportation, lodging and meals per diem costs separately. Travel and subsistence costs must not exceed current Conus rates and IRS approved mileage rates. If there are no travel and subsistence in your proposal, so state.
- c. Subcontract Costs.** Itemize as in (a) above. If there are no subcontract costs in your proposal, so state.
- d. Cost of Supplies and Materials.** Itemize. If there are no supplies and materials in your proposal, so state.
- e. Other Direct Costs.** Itemize. If there are no other direct costs in your proposal, so state.
- f. Total Cost. Inclusive of item a to e (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 shall be (a) timely received from a Proposer; (b) properly signed by the Proposer.

III-2. Technical Nonconforming Proposals. The two (2) Mandatory Responsiveness Requirements set forth in Section III-1 above (a&b) are the only RFP requirements that the Commission will consider to be non-waivable. The Issuing Office reserves the right, in its sole discretion, to (1) waive any other technical or immaterial nonconformities in the proposal, (2) allow the Proposer to cure the nonconformity, or (3) consider the nonconformity in the evaluation of the proposal.

III-3. Proposal Evaluation. Proposals will be reviewed, evaluated, and rated by a Technical Evaluation Team (TET) of qualified personnel based on the evaluation criteria listed below. The TET will present the evaluations to the Professional Services Procurement Committee (PSPC). The PSPC will review the TET's evaluation and provide the Commission with the firm(s) determined to be highly recommended for this assignment.

The Commission will select the most highly qualified firm for the assignment or the firm whose proposal is determined to be most advantageous to the Commission by considering the TET's evaluation and the PSPC's determination as to each firm's rating. In making the PSPC's determination and the Commission's decision, additional selection factors may be considered taking into account the estimated value, scope, complexity and professional nature of the services to be rendered and any other relevant circumstances. Additional selection factors may include, when applicable, the following: geographic location and proximity of the firm, firm's Pennsylvania presence or utilization of Pennsylvania employees for the assignment; equitable distribution of work; diversity inclusion; and any other relevant factors as determined as appropriate by the Commission.

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-4. Evaluation Criteria. 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. 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.

d. 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.

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. Commitment to Diversity and Inclusion (D/M/WBE) Participation. This refers to the inclusion of D/M/WBE firms, as described in Part II-7, Participation may be measured in terms of total dollars committed or percentage of total contract amount to certified D/M/WBE firms.

PART IV

WORK STATEMENT

IV-1. Objectives.

a. General. Engage the services of a compensation firm to conduct an analysis of the Commission's current organizational structure, and recruiting, performance evaluation and compensation practices. The firm will also review the manager to employee and manager to administrative support ratios.

b. Specific. Perform an analysis of the Commission's current organizational structure to ensure the Commission is organized in an efficient and effective manner. Perform an analysis of the recruiting practices to ensure the Commission attracts talented, diverse applicant pools for open positions. Perform an analysis of the Commission's performance evaluation system to ensure the system is fair and effective. Perform an analysis of the Commission's pay structure and pay practices to ensure the Commission's current compensation program is fair and competitive and provides salaries commensurate with assigned duties, and that salary ranges are at appropriate levels when compared both internally, and to external markets. Perform an analysis of manager to employee and manager to administrative support ratios to ensure the ratios are efficient and effective. *The entire analysis should focus on non-union positions, with the exception of Part IV-4 F, below.*

IV-2. Nature and Scope of the Project.

Background. The Commission is an independent agency of the Commonwealth of Pennsylvania. As a government agency, the Commission is not governed by the rules, regulations, or legislative requirements of ERISA.

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 552 miles in length with 67 fare collection facilities, 17 service plazas and 1 welcome center, 22 maintenance buildings, 8 police barracks and 5 tunnels (www.paturnpike.com).

As of April 26, 2013, the Commission employed a total of 2,137 employees. The primary focus of this study covers non-union employees, which encompasses 504 of the 2,123 employees. There are over 110 Commission locations 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.

The Commission's pay structure has 21 pay grades for non-union employees which cover 233 job classifications. Of these 21 pay grades, 8 are non-exempt and 13 are exempt. Each pay grade has 20 specific salary levels (steps) composing the range, with approximately 2.1% difference between each step. The Commission currently uses the HAY Methodology (point system based on Know-How, Problem Solving and Accountability) to evaluate positions and determine a position's pay grade.

IV-3. Requirements. Tasks identified in Part IV-4 must be performed and put together in a professional format. All documents provided to the Commission should be reviewed by at least one other person from your firm for accuracy prior to submitting for the Commission's review. Selected vendor must keep the project moving and have adequate staff to complete this project in a timely fashion.

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 and Executive Staff to discuss the scope of services, methodology and timeline for this project.
- B.** Review the Commission's background materials including, non-union job descriptions, organizational structure, salaries and pay grades/ranges, Salary Administration Policy and Procedures document and other related materials to gain an understanding of the current structure and pay practices of the Commission.
- C.** Evaluate and analyze the Commission's organizational design.
 - 1. Compare the Commission's organizational design against comparative organizations and markets, with an emphasis on other toll agencies.
 - 2. Evaluate the Commission's organizational design using the latest theories and best practices in organizational structure design to determine whether the Commission's structure is designed in the most efficient and effective manner.
 - 3. Address pay compression issues within the Commission, focusing on both structural and pay practice issues.
 - 4. Conduct a meeting with the Issuing Office and Executive Staff to discuss preliminary findings and sample organizational designs and structures. The goal of this meeting is to identify the organizational design outline which would be the best fit for the Commission.
 - 5. If appropriate based on findings, recommend changes to the organizational design.
- D.** Review the performance evaluation process/system
 - 1. Review the Commission's current performance evaluation process and procedure.
 - 2. Evaluate the Commission's performance evaluations and process using the latest theories and best-practice performance management techniques to determine whether the Commission's performance evaluation process is designed in the most effective manner.
 - 3. If appropriate based on findings, recommend changes that would modify the Commission's current performance evaluation process/system, and/or recommend alternative performance evaluation systems reflecting best practices.
- E.** Review and analyze the Commission's pay structure and practices.
 - 1. Compare the Commission's non-union pay grades/ranges/salaries against internal comparative positions to ensure positions performing similar work with essentially the same level of complexity, responsibility, and knowledge, skills and abilities are classified in the same pay grade.
 - 2. Identify the Commission's competitive market and choose organizations and external markets for comparison, with an emphasis on other toll agencies. Comparative

organizations should also be selected based on the following criteria: industry, geography and organization size.

3. Use existing salary databases, or if necessary, conduct a salary survey to evaluate the Commission's non-union pay grades/ranges/salaries with comparative organizations and external markets, with an emphasis on other toll agencies.
4. Analyze and, if appropriate, recommend changes to the Commission's Salary Administration Policies and Procedures document. This document contains the following policies/items:
 1. PTC compensation philosophy
 2. Salary administration program responsibilities
 3. Salary grades
 4. Employment and selection process (*The Commission would like the selected vendor to suggest recruiting strategies or process changes for hard to recruit positions, and suggestions for attaining diverse candidate pools. The Commission will identify a list for the selected vendor of the positions to review.*)
 5. Starting salary for new employees (external)
 6. Employee performance review (*Separated this item out, into Letter E., below*)
 7. Annual step increase
 8. General pay increase
 9. Performance incentive award program
 10. Promotions
 11. Laterals
 12. Transfers/Demotions
 13. Union to Management personnel changes
 14. Reclassifications
 15. Equity adjustments
 16. Management position review
 17. Reorganization process
 18. Glossary of terms
5. If appropriate based on findings, recommend changes to the Commission's pay structure including pay grades/ranges/salaries, and the Commission's pay practices.

F. Review manager to employee and manager to administrative support ratios.

1. Review the Commission's manager to employee (supervisory to non-supervisory) and manager to administrative support ratio, as well as manager span of control.
2. Evaluate if the Commission's manager to employee and manager to administrative support ratios and spans of control are in line with comparative organizations/external markets and other toll agencies.
3. If appropriate based on findings, recommend changes that would modify the Commission's manager to employee and manager to administrative support ratios to be more in line with comparative organizations/external markets and other toll agencies.

G. For Parts IV-4. C, D, E and F above, develop and present draft of findings, impact studies and recommendations including costs and the potential future impact(s) of recommended changes to the Issuing Office and Executive Staff.

- H. Present final draft of findings and recommendations to the Executive staff, Administration Committee, and at a Commission meeting at the address listed in Part I-11 above (three in-person meetings, on three separate days).

IV-5. Reports and Project Control.

- a. **Task Plan.** A work plan for each task that identifies the work elements of each task, the resources assigned to the task, and the time allotted to each element and the deliverable items to be produced.
- b. **Status Report.** A bi-weekly progress report or conference call covering activities, problems, and recommendations; the report should be keyed to the work plan developed by the Proposer in its proposal, as amended or approved by the Commission.
- 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 # 13-10380-4222

Analysis of Organizational Structure, Recruiting, Employee Performance and Compensation Practices

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

Following are the answers to questions submitted in response to the above referenced RFP as of May 28, 2013. All of the questions have been listed verbatim, as received by the Pennsylvania Turnpike Commission.

1. Other than Section I-24 (A) General Insurance Requirements, (B) Liability Insurance Requirements, and (C) Indemnification, the RFP does not contain contract terms and conditions. Does the Commission expect the offer or to suggest contract terms as part of their proposal response?

Answer: The contract term is listed in Part I-22 of the RFP. Additional requirements can be found in Part IV-3 of the RFP.

2. Who is the executive sponsor of this effort?

Answer: There is not a designated executive sponsor of this effort.

3. The RFP refers to background documents being provided. When might we expect to receive these documents?

Answer: The selected vendor will receive background documents after award and signing of the contract for these services.

4. Section IV-1 refers to the “analyzing the current organization structure to ensure the Commission is organized in an efficient and effective manner.” Because structures are designed to support the strategy, core and support process requirements, deliverables, measures of success, and related employee behaviors, Which of the below organization design methodologies/activities were used and what if any groups were engaged to arrive at your current organization design proposal?

- Review and update of long term vision, mission, and values for PATC.
- Stakeholder Engagement: Soliciting input from key stakeholders (customers, employees, DOT officials, government officials, investors, union members, etc.) on their current and future requirements and measures of success, current satisfaction levels, and future expectations of PATC.
- Development of future strategy based on above stakeholder input and other external and internal economic, political, social, and technology influences

- Assessment of current core and support processes to identify variances to stakeholder requirements, process performance measures, and a future process design aligned to strategic direction, stakeholder requirements, and measures of effectiveness.
- Assessment of current support organizations and processes, human systems, and technical systems capability to align and support the new processes.
- What were the design criteria and guiding principles used to development of future structure based on the output of the above activities?

If we are awarded this contract, will we have access to these documents?

Answer: A review of the structure was completed in 2003 by HayGroup. Documents from their review and analysis will not be provided to the selected vendor.

5. What internal resources will be provided to assist in the development of the required options for consideration?

Answer: The Commission will put together a number of materials for the selected vendor to assist in their review, including but not limited to the following: job descriptions, organizational structure, performance evaluation documents, Salary Administration Policies and Procedures document, hiring and recruitment process information, etc.

6. It is understood that the scope of this effort is targeted for the PA Turnpike Commission structures and related processes and support systems. However, because the union members make up such a large segment of the service delivery base and can greatly influence the final decisions and implementation of such, will [vendor] be provided a copy of the existing union contract to better understand the current interfaces and interdependencies between the two entities?

Answer: If the selected vendor would find the existing union contract useful in their review, they may have a copy of the union contract (currently in union negotiations, contract is expired but union still operates under expired contract).

7. Will we have access to the total organizational/reporting structure below the management level with identified roles, responsibilities, and decisions to ensure the most efficient, cost effective, and collaborative structure is being evaluated?

Answer: The selected vendor will be provided with the entire organizational/reporting structure, which would include both union and non-union employees.

8. Are all 233 job classification currently utilized? Is it a goal to consolidate jobs where appropriate?

Answer: All 233 job classifications are current, active classifications. The Commission is open to considering consolidating jobs if the vendor deems that appropriate and necessary.

9. Section I-12 (Page 2) of the RFP states the proposer must sign and submit a Proposal Cover Sheet (Appendix A). Appendix A is currently omitted from the RFP. Please provide a copy of Appendix A?

Answer: Appendix A is attached on the website. Click on the View RFP PDF link, then click on attachment icon (paperclip).

10. The RFP discusses 233 job classifications (RFP page 15) – is this a 1:1 ratio in terms of jobs or are there several jobs that fit within a job classification? If so, how many jobs, in total, are covered within this study??

Answer: 1:1 ratio. 504 employees fit into the 233 job classifications. There is only one job in each classification. 233 jobs are covered in this study.

11. What compensation elements are covered within this competitive assessment (i.e. Base salary only? Base plus incentive? Benefits?)

Answer: Base salary only.

12. Are there up-to-date job descriptions for all positions covered in this review or will the Turnpike Commission be looking to have questionnaires completed by incumbents and/or managers?

Answer: The Commission updates job descriptions on an on-going basis as the need arises and job responsibilities change. The selected vendor would utilize current job descriptions in their review, no questionnaires are expected to be completed by incumbents and/or managers.

13. In terms of organizational design and performance management (items C and D on page 16 of RFP 13-10380-4222), is this for the entire organization or focused solely on the non-union population as discussed in the compensation review section (E)? If this is broader, can you please define what employee groups/functional areas are covered?

Answer: The bulk of the organizational structure review will consist primarily of non-union positions, but will also include union positions. The performance management review will cover non-union positions only since the union population is covered by a collective bargaining agreement and does not fall under the non-union performance management system.

14. Can you provide the list of hard-to-recruit positions referenced on RFP page 17?

Answer: Unable to provide, this list has not been developed yet.

15. On RFP page 17, is the manager-to-employee and manager-to-administrative support ratio review also focused solely on the non-union population of 504 employees?

Answer: No, the manager-to-employee and manager-to-administrative support ratio review should be based on the entire employee population. It should not be focused solely on the non-union population.

16. Is the Turnpike Commission looking to maintain the current evaluation system or looking to change?

Answer: The Commission would like the selected vendor to review the current evaluation system and make recommendations for the evaluation system going forward, whether that may be to maintain the current system, or change the current system.

17. What are the key drivers behind this request for proposal? (i.e. what are the organizational or business issues that are driving the need for review)?

Answer: The last full review of all compensation practices and organizational structure was over 10 years ago. The Commission would like to ensure the organization is set up as efficiently as possible, and has a competitive pay structure to attract top talent.

All other terms, conditions and requirements of the original RFP dated May 14, 2013 remain unchanged unless modified by this Addendum.