



**CITY OF BETHLEHEM, PENNSYLVANIA
CLASSIFICATION AND COMPENSATION SURVEY
REQUEST FOR PROPOSAL
2017-P01**

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1. Invitation

The City of Bethlehem is soliciting proposals from qualified consulting firms to conduct a job classification and compensation survey of all non-represented full time, full-time contract, and seasonal employees; develop a pay-for-performance system suitable for the public environment; and make recommendations regarding the elimination of a 27th pay each decade.

The selected firm will have expertise in compensation systems, namely developing and conducting comprehensive evaluations and analysis of job descriptions, as well as knowledge of compensation and benefits in a local government setting. In addition, the selected firm will review the City's existing job descriptions and propose revisions and updates to the grading process, classifications, and compensation system.

All proposals and supporting documentation shall be submitted on or before February 9, 2017, by 4:00 PM, electronically via the PennBid Program at www.PennBid.net. Proposals provided by any other means will not be accepted. All proposals must be submitted as a PDF. Incomplete proposals and those received after the specified date and time will not be considered. Faxed and emailed responses will not be accepted.

All inquiries regarding this RFP should be submitted to www.PennBid.net and will be answered by Michelle Cichocki, Director of Human Resources.

2. BACKGROUND AND PURPOSE

The City of Bethlehem non-represented employee workforce includes 99 full time positions, 18 full-time contract positions, and 154 seasonal positions. All full-time positions to be analyzed have job descriptions. Some seasonal positions do not. The employee group includes variable educational levels that perform clerical, technical, management, professional, and executive duties. It has been several decades since the last evaluation of compensation practices and policies was conducted. Since that time, inequities have crept into the environment based on poor or missing policy, decentralized decision making, and a lack of sound organizational management. It is the city's interest to fix any inequities, both internal to our workforce and external as compared to employer contemporaries.

Compensation policy within the city currently utilizes a matrix of “job grades”, beginning at grade 20 upward to grade 36. Each grade has six steps and a pay rate associated with each of the six steps. Jobs are assigned a grade using rudimentary methods, and grades have been increased for reasons other than changes in scope and complexity.

Employees matriculate through the steps automatically each year until reaching the top step in the grade after six years. Also, general wage increases are most often administered annually to all employees, if approved by City Council. The salaries associated with the steps are increased each year based on the general wage increase. The general wage increase, as well as the steps, are administered regardless of performance. As a result, the current compensation policy disincentivizes performance and rewards the lackluster employee identically to the high performing employee. There is presently a well-conceived performance appraisal process that does not impact salary consideration. Management has minimal ability to recognize performance. The City desires to consider a merit system as opposed to the general wage increases and guaranteed step system.

In addition, employees (with the exception of appointed employees) are rewarded for their tenure with the city through a longevity payment that escalates with tenure.

The City of Bethlehem will select and retain a consultant to review the current compensation system including pay grades, salary structure within grade, and management policy for non-represented positions. The study will include a market evaluation and comparison of compensation practices with other in-class employers. The study should consider the benefits currently offered by the City of Bethlehem as a part of the overall compensation offered city employees.

The consultant will recommend specific modifications to the grade assignments to eliminate inequities, establish and document a method of evaluating the grade of a position, and/or provide an alternative compensation policy. The consultant will also propose the format and application of a pay-for-performance based increase system to provide incentive for performance.

Additionally, the City executes payroll consistently between represented employees and unrepresented employees on a bi-weekly basis. Roughly each eleven years, there is a phenomenon of a 27th pay in a calendar year. This causes a budgeting challenge and public unrest. The City desires recommendations that are appropriate in order to resolve this phenomenon, at least in part.

3. SCOPE OF WORK

The project shall include, but is not limited to the following activities:

Classification Plan

1. Consultant shall conduct a thorough job analysis for every position to be included in the study and utilize this information to properly classify all positions of interest. Consultant will work with staff to ensure necessary clarity exists within job descriptions for the purpose of rating.
2. Consultant may conduct interviews as appropriate.
3. Consultant to identify management, supervisory, professional, technical, and general employees, including FLSA status (exempt/non-exempt).
4. Consultant to update and/or create class specifications as needed to uniformly reflect distinguishing characteristics, essential job functions, minimum qualifications, supervision exercised and received with definition of lead or supervisory roles, working conditions, physical requirements, license requirements, and regulatory requirements for all classifications.
5. Consultant to draft and submit proposed class specifications for review by the city leadership, with intent to eliminate internal inequities.
6. Consultant to finalize class specifications and recommend appropriate classification for each employee, including correction of identified inequities between existing and proposed classifications.

Compensation Survey

1. Consultant to survey similar employers that suit the analysis.
2. Consultant to conduct salary survey by comparing salary data for each existing classification (see job grade chart). Included in the survey will be consideration for benefits provided between the City and the selected agencies.
 - a. Evaluate jobs by developing, then reviewing a job ranking structure, verify rankings by analyzing pertinent market data concerning the ranking; determine recommended comparative city and if applicable

county employers, compare initial rankings to the City's existing ranking and that of the market hierarchy and adjust as determined to show compensation at 50th and 75th percentile of the market rates and be prepared to present findings to Administration and City Council Human Resources Committee.

3. Consultant to recommend pay grades; modified grade pricing and salary ranges for all classifications based on the compensation survey results, if required. Essentially, eliminating inequity to the external employment market.
4. Recommend an appropriate salary structure including minimum, midpoint, and maximum and the difference between each salary step if different than current structure.

Pay-For-Performance System

1. Consultant to study current performance appraisal system and practices.
2. Consultant to identify essential elements of performance appraisals necessary to use the appraisals for merit purposes.
3. Consultant to develop methodologies, written procedures, and training and implementation plan.

27th Pay

1. Consultant to evaluate the "terms of employment" for non-represented employees.
2. Consultant make recommendations to eliminate the 27th pay while maintaining the bi-weekly pay process.

Study Conclusion

1. Consultant to prepare written report of recommendations, including discussion of methods, techniques and data used to develop a compensation plan.
2. Consultant to provide instructional information to allow appropriate City staff to conduct individual salary audits and adjustments based on job evaluation methodology in order to become self-sufficient and accommodate addition of new positions in the future.
3. Consultant to train leadership staff on pay-for-performance process and prepare staff for implementation.
4. Consultant to attend meetings, if requested, throughout the process with employees, the Administration and/or the Council to explain methodology, survey results and recommendations.

Proposals will only be accepted from Proposers who are actively engaged in the type of work or service called for in the Proposal. No Proposal will be accepted or contract awarded to any Proposer that is in arrears or is in default to the City. Where work is to be performed by a subcontractor, the Proposer must name the subcontractor and the City reserves the right to determine whether the names subcontractor is fit and capable to perform the required work.

4. PROPOSER'S QUALIFICATIONS

Must be an established organization with a minimum of five (5) continuous years of experience in the business of compensation management which includes specific experience in the full scope of wage and benefit survey, analysis, design and implementation of compensation and classification systems in the State of Pennsylvania. Must have advanced knowledge of the laws and practices relating to employee classification and compensation within a municipal government setting.

5. PRESENTATION OF PROPOSALS

The City of Bethlehem is utilizing the PennBid electronic bid management program. Each proposal must be submitted electronically via the PennBid Program. The prescribed forms are located at www.PennBid.net.

Proposers need to register online only once. Registration is at no cost and the process takes only a few minutes. Once registered, Proposers can obtain all project documents and submit and update their confidential proposals online.

- A. Cover Letter: All proposals shall include a cover letter which states that the proposal shall remain valid for a period not less than ninety (90) days from the date of submittal. If the proposal contemplates the use of sub-contractors, the sub-contractors shall be identified in the cover letter. If the proposal is submitted by a business entity, the cover letter shall be signed by an officer authorized to contractually bind the business entity. With respect to the business entity, the cover letter shall also include: the identification of the business entity, including the name, address and telephone number of the business entity; and the name, title, address and telephone number of a contact person during the proposal evaluation period.
- B. Introduction: Consultant shall present an introduction of the proposal and their understanding of the assignment, explanation of the methodology, time frame, and plan for completing this project. The Consultant should provide in concise terms the methodology to be used to conduct job audits, to develop classification structure and to allocate classifications to specific ranges.
- C. Ability of the Consultant to Perform:
 - a. A brief history and experience of the company to include number of years in business, how long the company has served municipal clients, company size, and organization.
 - b. The Consultant shall provide a reference list of former clients including public sector and governmental agencies having work forces in excess of 50 employees. Consultants not meeting this requirement must furnish details of how they expect to conduct a project of this magnitude, which exceeds any other projects they have formerly attempted.
 - c. Resume and qualification of individuals whom will be working on this project and quantifiable previous "team" experience on projects of similar scope.

- d. A complete list of past and current contracts awarded during the past five years including the amount of the contract award and the actual amount paid elaborating on the reason for any differences. The City is requesting this information to determine how complete firms have been in providing pricing information and how that pricing information related to actual expenses paid

- D. Fees and Costs: All costs to complete this project. An itemization of costs must include applicable hourly rates, training, travel and per diem, etc. The Consultant shall provide a breakdown of fees for each phase of the project. The Consultant shall include an hourly fee schedule for additional services that may be requested at a later date that are not part of this proposal.

- E. Additional Information: Information, which the Consultant desires to present, that does not fall within any of the requirements of the RFP should be inserted at an appropriate place or be attached at the end of the proposal and designated additional material. Proposals that are not organized in this manner risk elimination from consideration if the evaluators are unable to find where the RFP requirements are specifically addressed.

- F. Authorization: An authorized representative of the Consultant shall sign proposals. All information requested should be submitted. Failure to submit all information requested may result in a lowered evaluation of the proposal. Any proposals that are substantially incomplete or lack key information may be rejected by the City. Mandatory requirements are those required by law or regulation or are such that they cannot be waived and are not subject to negotiation.

6. EVALUATION CRITERIA

Proposals will be evaluated by a panel consisting of the Business Administrator, Director of Purchasing, Director of Human Resources, and Director of Budget/Finance, using the following criteria:

- Proposal conformity to the RFP 10%
- Qualifications of professional personnel 20%
- References of the firm in similar work 10%
- Time specified for performance of the contract 10%
- Uniqueness of approach 20%
- Total cost of performing the work 30%

Proposals will be evaluated against the specifications presented in the RFP as well as competitiveness. The City of Bethlehem reserves the right to eliminate a proposal for failure to comply with the requirements of the RFP. The review panel will rate each proposal and develop a composite rating which indicates the collective ranking of the highest rated proposals in descending order. The review team may elect to conduct interviews with only top ranked firms. The City reserves the right to award a contract to a vendor with a higher cost if that vendor ranks higher based on the evaluation criteria described herein.

7. SCHEDULE

The following is an anticipated schedule for the RFP process. The City reserves the right to modify any part of this schedule.

RFP Release:	January 24, 2017
Questions due Regarding RFP:	February 1, 2017
Proposals Due:	February 9, 2017 by 4:00 PM
Award of Contract:	March 28, 2017

Proposed completion: 90 days after work commences. This schedule is intended only as a guideline for the timing of various events in this effort. Management requirements and other factors may cause these dates to vary somewhat from the original intentions.

8. INDEMNITY

The successful proposer will indemnify and defend the City and hold it harmless from any and all claims, liabilities, loss or damage, including attorney's fees, caused in whole or in part and/or contributed to by any errors or omissions in furnishing services, delay in furnishing services, breach of contract and/or negligence, professional negligence and/or wrongful acts of proposer.

The foregoing is a summary of the required contractual indemnification obligation. The City's standard contractual indemnification language shall control and is available for inspection on request.

9. LEGAL REQUIREMENTS

The performance of the contract will be subject to all applicable Federal, State, and Local Laws, Ordinances, Rules, and Regulations. Before submitting a proposal, each proposer must become familiar with Federal, State, and Local Laws, Ordinances, Rules, and Regulations that may in any manner affect cost, progress, or performance of the contract.

10. SUBJECT TO APPROPRIATIONS

The payment obligations of the City under the contract and the performance by Consultant under the contract are subject to the availability of funds lawfully appropriated for such purpose by Bethlehem City Council.

11. INSURANCE REQUIREMENTS

The successful proposer must comply with the following insurance requirements that are part of the City's standard professional services contract.

- (a) Before commencing the services, Consultant shall provide City with certificates evidencing the existence of insurance policies, issued by carriers authorized and licensed to do business in the Commonwealth of Pennsylvania and in amounts and on forms acceptable to City, providing coverages specified below. Consultant shall maintain such insurance in effect until this Agreement has been fully performed. All insurance certificates shall provide that the insurance will not be canceled or any change made in the policy without thirty (30) days prior written notice to City.
- (b) The Consultant shall maintain during the term of this Agreement, standard Professional Liability (Errors and Omissions) Insurance in an amount of \$1,000,000 per occurrence, and \$1,000,000 in the aggregate. The Consultant shall maintain the Errors and Omissions insurance for a period of two (2) years after final completion of the project.
- (c) The Consultant shall maintain during the term of this Agreement, comprehensive general liability insurance in the amount of \$1,000,000 per occurrence to protect the Consultant from claims for damages for bodily injury, including wrongful death, as well as from claims of property damage which may arise from any operations under this Agreement, whether such operations be by the Consultant or by anyone directly employed by or contracting with the Consultant.
- (d) The Consultant shall maintain during the life of this Agreement, comprehensive automobile liability insurance in the amount of \$1,000,000 combined single limit bodily injury and property damage to protect the Consultant from claims for damages for bodily injury, including wrongful death, as well as from claims for property damage, which may arise from the ownership, use or maintenance of owned and non-owned automobiles including rented automobiles by the Consultant or by anyone for whom the Consultant is legally liable.

- (e) The Consultant shall maintain, during the life of this Agreement, adequate Worker's Compensation Insurance and Employer's Liability Insurance in at least such amounts as are required by law for all of its employees performing services pursuant to this Agreement.
- (f) Other than Professional Liability and Worker's Compensation, all insurance forms, certificates, and policies shall name the City of Bethlehem as an additional insured for the above limits of the Consultant's policies.

12. NON-COLLUSION STATEMENT

- a. A non-collusion statement shall be executed and submitted with the proposal using the form set forth herein.
- b. The proposer shall comply with the requirements of the Pennsylvania Antitid-Rigging Act, 62 Pa.C.S.A. §4501, et seq.

Non-Collusion Statement

CITY OF BETHLEHEM

Bethlehem, Pennsylvania

Submittal Of This Signed Statement With Your Bid Is Mandatory

The undersigned bidder, being of lawful age, and being first duly sworn according to law, deposes and states that the following is true and correct:

1. He/she is the officer or agent duly authorized by the bidder to submit the attached bid and to execute this Statement.
2. The bidder has not been convicted or found liable for any crime or act prohibited by state or federal law in any jurisdiction involving conspiracy or collusion with respect to bidding on any public contract within the last three years. The bidder is not currently under debarment by the Pennsylvania Department of Labor and Industry nor by any other Commonwealth of Pennsylvania agency or department.
3. The bidder understands that if the bidder has been convicted or found liable as aforesaid, the City of Bethlehem is not prohibited from accepting a bid from or awarding a contract to the bidder, but the conviction or finding of liability may be a ground for administrative suspension or debarment in the discretion of the City of Bethlehem under the rules and regulations of the City of Bethlehem, or if the City of Bethlehem has no administrative suspension or debarment regulations or procedures, the conviction or finding of liability may be the basis for the City of Bethlehem to not award a contract to the bidder on the basis of a lack of responsibility.
4. The bidder has not been a party to nor involved in any collusion and/or fraud among bidders in restraint of trade and/or of freedom of competition by agreement to bid at a fixed price or to refrain from bidding.
5. The bidder has not been a party to nor involved in any collusion with any governmental official or employee as to quantity, quality or price in the prospective contract or with respect to any other terms of the prospective contract or with respect to any discussions between the bidder and any governmental official concerning exchange of money or other things of value for special consideration in the letting of a contract.

6. The only person or persons, firm, partnership, joint venture or corporation interested in the attached bid as principal or principals is/are named below in this Statement or in the attached bid, and that no one other than those named have any interest in the attached bid or in the proposed contract.

7. No officer or employee of the City of Bethlehem is or shall become directly or indirectly interested as contracting party, partner, shareholder, surety or otherwise in the performance of the contract, or in the supplies, work or business to which it relates, or in any portion of the profits therefrom.

8. The bidder is not in arrears to the City of Bethlehem or any of its agencies upon any debt, contract, tax or utility bill, nor in default as surety or otherwise upon any obligation to the City of Bethlehem or any of its agencies.

9. The bidder has examined the requirements for proposed work or service or goods to be furnished, has read and fully understands the form of City of Bethlehem Contract Agreement, plans and specifications for the proposed work or service, all addenda issued by the Owner, the advertisement, the Instructions, Information and Requirements for Bidders and declares that, in regard to the conditions affecting the work to be done and the work or services or goods to be provided, Bidder has made its own investigation and research.

10. The bidder agrees, if its bid is accepted, to contract to perform all the work or service or furnish the goods required in the City of Bethlehem approved form of Contract Agreement, and to execute the City of Bethlehem form of Contract Agreement included in the plans and specifications, without amendment and without modification by bidder.

11. I have read the above, and the foregoing statements are true and correct with respect to the bidder and its current, and previous, officers and employees.

12. The foregoing statements are true and correct to the best of the undersigned's knowledge, information and belief, and are made to induce the City of Bethlehem to enter into a contract with the bidder. I understand that false statements herein are made subject to the penalties of 18 Pa.C.S.A. §4904 Relating to "Unsworn Falsification to Authorities."

Type/Print Company Name of Bidder: _____

Type/Print Name of Person

Authorized to Execute this

Statement in Behalf of Bidder: _____

_____ (SEAL)

Signature

Title

Mailing Address

Date: _____