

REQUEST FOR PROPOSAL

103691



Compensation Study

December 02, 2009

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CONFIDENTIALITY

This RFP and your response to the RFP are considered “Confidential Information.” RFP recipients are not authorized to duplicate, distribute, or otherwise disseminate or make available this document or the information contained in it to a third party without the prior written consent of PEC. RFP recipients may make this document available to those employees who have a need to know its contents in order to participate in the response to this RFP. RFP recipients shall not include or reference this RFP in any publicity without prior written consent from PEC.

GENERAL INFORMATION

Pedernales Electric Cooperative, Inc. (PEC) is a distributor of electricity to more than 226,000 meters with a non-contiguous service area of 8,100 square miles. Our Headquarters is located in Johnson City, Texas. PEC has 18 district and business offices and a call center located throughout the service area. It is the largest electric cooperative in the United States.

PEC's operational focus is to provide reliable electricity and outstanding services to members at reasonable rates. As a cooperative, PEC is owned by the “members” it serves. Members—not stockholders—invest in the Cooperative through their electric billings and share in the Co-op's margins. Because of this unique business model, PEC members demand the best service, reliability, and management.

PURPOSE

PEC's objective is to provide compensation strategy to pay salaries that are commensurate with prevailing power distribution industry wages for comparable duties and responsibilities. We are seeking the services of a compensation consultant to review our current compensation programs, job descriptions, recommend benchmarks in the power distribution industry and identify prevailing trends in salary administration.

We anticipate that these services will be required for six (6) months.

IMPORTANT

All inquiries and comments must be directed to the administrative contacts specified herein. Failure to comply will result in bid disqualification, regardless of whether the offender is a direct recipient of this RFP.

ADMINISTRATIVE

TECHNICAL CONTACT

Any questions concerning proposal submission, technical specifications or Statement of Work (SOW) requirements must be directed to:

Name	Jackie Harding, Purchasing Agent
Address	PO Box 1
City, State, Zip	Johnson City, TX 78636
Phone	830-868-4782
FAX	830-868-4963
Email	jackie.harding@peci.com

CONTRACTUAL CONTACT

Any questions regarding contractual terms and conditions or proposal format must be directed to:

Name	Sariah Welch, Purchasing Supervisor
Address	PO Box 1
City, State, Zip	Johnson City, TX 78636
Phone	830-868-4780
FAX	830-868-4963
Email	sariah.welch@peci.com

PROPOSAL DUE DATE

All proposals are due to the technical contact by 2:00 p.m. CST on December 14, 2009 via [email only](#). No hard copies, please.

Any proposal received at the designated location after the required time and date specified for receipt shall be considered late and non-responsive. Any late proposals will not be evaluated for award.

SCHEDULE OF EVENTS

Event	Date
1. RFP Distribution to Bidders	December 02, 2009
2. Proposal Due Date Email to the technical contact above.	December 14, 2009
3. Review of Proposals	December 15 – 23 December 15 – January 4
4. Announce Finalist	December 28, 2009 January 6
5. Finalists Deliver Presentations	January 4 – January 8 January 11 - 22
6. Award of Contact	January 14, 2009 January 29th

ADDITIONAL TERMS AND CONDITIONS

This RFP is specifically intended to facilitate the evaluation and selection of a business-to-business partnership. All bidders shall disclose any potential conflict of interest that a bidder may have due to ownership, other clients, contracts, or interests associated with this RFP.

Upon submission, proposals and other materials submitted by bidders may become records subject to PEC's Open Records Policy. (The policy can be viewed online. Click on the "Open Records Policy" link at: <http://www.pec.coop/Documents/OpenRecordsPolicy.pdf>.) PEC may deny the public access to such records or applicable portions thereof, which are trade secrets or proprietary information in accordance with its policy or other relevant law. Any list of members of PEC and related account information is also subject to PEC's Open Records Policy and may not be sold or offered to be sold. Cost and price data are not to be considered as confidential or trade secrets once an award is made; however, any research, recommendations, and reports resulting from the activities outlined in this RFP will be considered confidential and trade secrets.

GUIDELINES FOR PROPOSAL PREPARATION

PROPOSAL SUBMISSION

Bids shall remain valid for at least ninety (90) days after the bid due date.

Prior to submission of the proposal, the bidder shall have made and shall be deemed to have made a careful examination of the RFP and made every attempt through the mechanisms provided to gain a clear understanding of the services required to complete the set of deliverables specified. Bidders shall comply with all applicable statutes, laws, and regulations, which may govern this performance under this proposal.

Interested consultants must currently possess extensive consultant experience in compensation program design and must be able to support the requirements as outlined in this proposal. This experience includes evaluating the components of a compensation plan, recommending changes to compensation design, evaluating job descriptions and benchmarking for best practices in compensation and pay practices in the power distribution industry.

The consultant must be able to work with assigned PEC employees to understand the current compensation program.

CLARIFICATIONS

All clarification questions must be directed to the technical contact specified previously in the Administrative section. **Only written questions submitted via email will receive a response**, with the answers being distributed to all vendors simultaneously via email. All questions are due within 48 hours before the due date. **Failure to comply will result in bid disqualification.**

EXCEPTIONS

In cases where the bidder wishes to take exception to any part of this specification, the bidder shall so state on the front of the proposal. Any exceptions contained in the proposal shall be listed in a "Statement of Exceptions" included with the proposal.

ADDENDA

Only written addenda issued through the Cooperative's Purchasing Department are valid. Any and all other changes are unauthorized and will be considered invalid.

Pedernales Electric Cooperative, Inc. reserves the right to:

- Reject any or all offers and discontinue this RFP process without obligation or liability to any bidder,
- Accept other than the lowest priced offer,
- Award a contract on the basis of initial offers received, without discussions or requests for best and final offers, and
- Award more than one contract.

The bidder will confine its submission to those matters sufficient to define its proposal and to provide an adequate basis for PEC evaluation of the bidder's proposal.

The bidder's proposal in response to this RFP will be incorporated into the final agreement between PEC and the selected bidder. The submitted proposals are suggested to include each of the following sections and are outlined in the Detailed Response Requirements section:

1.	Scope, Approach, and Methodology
2.	Deliverables
3.	Pricing
4.	Appendix: <i>Qualifications</i>
5.	Appendix: <i>Company Overview</i>

Please address each section completely, point by point, citing each specification verbatim. The response format must be identical to the RFP format. For example:

Administrative Support and Customer Service Requirements

1. Assign a single account manager to assist PEC with various needs or requests.
 - Your assigned account manager will be _____. He/she has ____ years of experience at our company. His/her contact information is _____.

Variation from the format specified herein may result in immediate disqualification.

DETAILED RESPONSE REQUIREMENTS

SCOPE, APPROACH, AND METHODOLOGY

The Bidder's RFP response must include the necessary labor and other associated services to develop the following scope and deliverables.

SCOPE OF WORK

The following requirement will be weighted and included in scoring.

General Requirements

- Review PEC's current compensation programs
- Review/assess current job descriptions
 - o Validate tasks/responsibilities/qualifications
 - o Recommend job description template that complies with legal requirements
 - o Recommend an approach for reviewing and adding job descriptions to the library
- Recommend benchmarks in the power distribution industry
 - o Frequency of competitive wage analysis
 - o Segmented periodic salary reviews
 - o Benchmarks specific to PEC's Geographical Location
- Identify prevailing trends in salary administration
 - o Granularity/pay banding systems

- Develop a compensation metric that is based on performance evaluation
- Evaluate and recommend total compensation programs
- Recommend retention strategy incentives
 - o Long term
 - o Short term

Administrative Support and Customer Service Requirements

1. Assign a primary contact to assist PEC with requests
2. Provide adequate administrative support for assistance with implementation of recommendations and specify capability to meet this requirement

Implementation Requirements

1. Bidder must be actively involved in the design, implementation, validation, testing, and acceptance of the project and all online tools.
2. Bidder must accept and provide final acceptance of the entire project before payments for each particular phase or final payment for an entire project shall be made. "Acceptance" shall mean approval, in writing, of the completed project phase or of an entire project, after allowing what the bidder and PEC deems to be sufficient operating time to allow the bidder to determine that such installation and implementation complies with the Scope of Work and/or any Specifications relevant to the project. Specify willingness to accept project in its totality.

APPROACH & METHODOLOGY

Describe how the engagement proceeds from beginning to end. Utilize a step-by-step approach to describe full implementation, along with a detailed timeline with specific dates, based on a duration deemed reasonable by the bidder.

Describe the methodology, templates, and tools that will be utilized in the development of these deliverables. When applicable, provide process maps.

PROJECT LOCATION

201 South Avenue F
Johnson City, Texas 78636
Human Resources

DELIVERABLES

The selected consultant must agree to provide PEC with full and complete access to all records maintained regarding PEC, as well as any other data, books, records and other information reasonably related to PEC. The selected consultant must agree to provide analysis and presentation to PEC in an editable electronic format.

The following are deliverables that are expected after the contract has been awarded:

1. A written report, in electronic format, containing power distribution industry market study benchmark data.
 - If published survey data is not available for power distribution specific jobs, an independent study needs to be developed to obtain market data. Please make that notation and include it in the proposal submission.
 - Provide a written report, in electronic format, for each job title that includes the following information:
 - Market survey information
 - Market rate composites
 - Survey source
 - Job title/job summary
 - Survey companies
 - Weighted average bases salary paid/median/25th/50th/75th percentile
 - o Provide a sample of the report you will provide in your proposal response
2. Specific recommendations for strategic improvements to the PEC compensation plan based on current market trends in compensation and base pay.
3. Recommendations for the following:
 - Compensation software to support the salary market database and assist the PEC HR staff in managing the compensation program
 - Power distribution market segmentation
 - Frequency of salary benchmarking
 - Communications plan for total cash compensation
 - Benefits
 - Non-cash
 - Cash
 - Management training
 - Retention strategy incentives/initiatives
4. Competitive assessment of executive compensation
5. Job descriptions:
 - Assessment of current jobs
 - Recommendations for a standardized format
 - Frequency of review of job descriptions

PRICING

The bidder shall provide fixed fee pricing schedules for the engagement. Specify preferred payment terms, along with discounts when applicable. Pricing should break out in to the following categories:

Item	\$
Item	\$
Any additional fees (specify)	\$
Total	\$

Pricing shall remain valid for a period of ninety (90) days from the date of submission.

APPENDIX: QUALIFICATIONS

The following information must be provided:

1. Proof of business insurance policy covering 1 million dollars per incident.
2. Specify agreement to follow applicable PEC safety standards, policies, and confidentiality requirements stated herein.

APPENDIX: COMPANY OVERVIEW

At a minimum, proposals should address the following questions. Other relevant information may be included.

1. Official registered name (Corporation, DBA, Partnership, LLP, etc.).
2. Year business established.
3. Key contact name (person authorized to contractually bind the organization) for any proposal submitted for this RFP, title, address, telephone number, internet address.
4. A professional resume of the team member(s) who would work on this project. This resume should include a description of their proposed roles, salary specific certifications/credentials and years of experience.
5. Describe how your firm is distinguished in the area of power distribution compensation and service to former clients.
6. Describe what experience, if any, your Company has had with PEC.
7. Has your Company ever been terminated for default on any contract? If yes, please describe in detail.
8. Explain if your firm has experience with providing advice and counsel on state and federal regulations that affect wages and compensation.

9. Identify any active, pending or expected litigation involving your firm, including any investigation by a regulatory or rating agency within the past five (5) years.
10. Identify any input from the Better Business Bureau within the past five (5) years.
11. Provide a list of current clients.
12. Provide a description of previous compensation studies that your firm has conducted for a comparable size client. Please include the following information for two (2) of your former clients, so that we can verify the level and type of service your firm provided:
 - Name, address, telephone number of a contact at the company and type of service provided.

EVALUATION FACTORS FOR AWARD

CRITERIA

Award of the contract resulting from this RFP will be made at the discretion of PEC. PEC can choose to award some or all of the RFP to a specific bidder or a combination of bidders.

All items listed in the Scope, Approach and Methodology, Deliverables, and Qualifications sections will be weighted when evaluating all submitted proposals and in the selection of a bidder. Additional weighted criteria include:

- | |
|--|
| 1. Completion of all required responses in the correct format. |
| 2. An overall assessment of the bidder's ability to deliver the indicated service in accordance with the specifications set out in this RFP. |
| 3. The bidder's stability, experience, and record of past performance in delivering such services. |
| 4. Availability of sufficient high quality bidder personnel with the required skills and experience for the specific approach proposed. |
| 5. Overall cost of bidder's proposal. |

Pedernales Electric Cooperative, Inc. may, at its discretion and without explanation to the prospective bidders, at any time choose to discontinue this RFP without obligation to such prospective bidders.

The Cooperative reserves the right to reject any Bid or any part of any Bid if investigation or review of any Bidder fails to satisfy the Purchaser that the Bidder has a satisfactory performance record or if the equipment does not completely meet the Owner's requirements.

PEC may make such investigation as is deemed necessary to determine the ability of the Bidder to provide the equipment, materials, and/or services as required by this Specification and to determine the adequacy of the proposed equipment, materials, and/or services.