



Request for Proposals

Compensation Study For Non-Represented Employees

May 31, 2017

1.0 Background

1.1 Executive Summary

The Public Utility District No. 1 of Skagit County, Washington (“District”) is issuing this Request for Proposals (“RFP”) from qualified firms (“Consultant”) to provide services to assist the District in the development of a market-based compensation program for non-represented employees. The study shall also address current compensation issues and a roll-out strategy to staff for implementation.

As new employees, non-represented staff members at the District are hired into a salary grade level ranging from Grade 1 – 16. The salary grades are structured based on their level of responsibility, with Grade 1 designated for entry level administrative positions and Grade 16 designated for the General Manager. The salary ranges for each grade are adjusted as necessary based on the salary of the employees within that grade, with the objective of making sure that no employee is compensated outside of the salary range for that particular grade. The salary ranges are not directly connected to any cost-of-living adjustments (“COLAs”).

For salary adjustments, the District has historically treated non-represented staff the same as represented staff, in that all employees received the same COLA based on the negotiated percentage increase in the collective bargaining agreement. Non-represented staff members are also eligible for merit raises at the discretion of the General Manager, based on recommendations from their department manager.

The District is now interested in a compensation program for non-represented staff that is decoupled from the represented staff and has more clear definition in regard to the salary ranges, tying salaries to market surveys, and a clear direction on salary adjustments based on a step-based system and/or a merit based system.

1.2 Overview of Public Utility District No. 1 of Skagit County

The District is a municipal corporation of the State of Washington, established in 1936 for the purpose of providing safe, efficient, reliable and affordable water service to the residents of Skagit County. The District is also authorized under state law to provide sewer services and wholesale telecommunication services. At the current time, there are no active sewer customers, but there are two wholesale fiber-optic customers.

The District currently employs approximately 76 FTEs, which include 36 employees represented by the local Teamsters union and 40 non-represented employees. The District operates the largest water system in Skagit County, providing an average of nine million gallons of piped water to approximately 65,000 people every day. The District maintains over 600 miles of pipelines and has over 31 million gallons of water storage volume.

The cities of Mount Vernon, Burlington, and Sedro-Woolley receive the majority of our water. Due to public demand for quality water, the District also provides service to unincorporated and remote areas of the county. The District’s service area includes part of Fidalgo Island at the west end of the county and extends as far east as Marblemount. From south to north, the District’s service area starts in Conway and extends north to Alger/Lake Samish.

2.0 Proposal Preparation

2.1 General Submittal Requirements

Proposals shall be prepared in ink, shall be sealed in an envelope, and shall be submitted by mail delivery or in person. No email, oral, telegraphic, telephone or facsimiles will be accepted. Proposals shall be a single volume of double-sided pages, bound such that they lay flat when opened and shall be no longer than 10 pages (8.5x11 letter size format). Sections shall be indexed and tabbed for easy reference to the material contained within. The front cover, back cover, introductory letter, table of contents, and District RFP submittal pages are not included in the page limit. Consultants must submit:

- One (1) original signed Proposal response; and
- Three (3) complete copies of the original

Proposals shall be signed in ink by an authorized representative of the Consultant. Signature on a Proposal certifies that the Proposal is made without connection with any other person, firm or corporation making a Proposal for the same goods and/or services and is in all respects fair and made without collusion or fraud. Signature on a Proposal also certifies that the Consultant has read, fully understands and agrees with all solicitation requirements, terms and conditions. No consideration will be given to any claim resulting from Proposal without fully comprehending all requirements of the Request for Proposals.

The District reserves the right to request any Consultant submitting a Proposal to clarify its Proposal and to supply additional information deemed necessary to assist in the selection of a Consultant. The District also reserves the right to clarify, modify or alter any of the requirements herein. In the event of a material modification of the Proposal requirements by the District, Consultants selected by the District may be given an opportunity to modify their Proposal in the specific areas that are impacted.

The District may cancel, reject in whole or in part any Proposals, without liability incurred at any time after issuing a RFP, if it is in the District's best interest to do so. Consultants responding to RFPs are responsible for all costs they may incur in connection with submitting Proposals and responses to RFPs, which includes, but is not limited to: submittal preparation, pre-proposal conference, if any, Proposal submittal, travel, expenses, interviews, presentations, or evaluation of any Proposal.

2.2 Performance Period

It is the District's desire to complete this project within three (3) months from the signing of an agreement. The Consultant shall provide a draft report with preliminary findings/conclusions approximately two (2) months into the project, allowing time for review by District management.

2.3 Proposal Delivery/Closing Date

Proposals with all required information must be submitted to Doug McConnell, Contracts Administrator, either by hand delivery to 1415 Freeway Drive, Mount Vernon, WA or by mail to PO Box 1436, Mount Vernon WA 98273-1436 by **Wednesday, June 14 2017** at 3:00 p.m. Pacific Time. Submissions received by the District after the closing date and time will not be opened.

2.4 Questions Regarding the Request for Proposal

There will only be one point of contact for inquiries during the RFP process. The contact point is the District's Contracts Administrator Doug McConnell, (360) 848-2169, or by email at mcconnell@skagitpud.org. Any questions or issues that may arise regarding the scope, the RFP process, and/or the award process shall be directed to Doug McConnell. Responses to such inquiries shall be given in writing via an addendum to all parties who have obtained the RFP documents from the District.

NOTE: In order to receive an addendum, Consultants must contact Mr. McConnell to be placed on the communication list regarding this RFP.

2.5 Organization of Proposal

Submissions should be prepared and organized in a clear and concise manner, and must include all information required by this RFP. Headers, titles, or tabs should be used to identify required information. The proposal shall include the following at a minimum:

Introduction

- Introductory letter indicating the Consultant's interest in offering these services to the District and highlighting its qualifications to perform this engagement.
- Firm name, authorized contact person, address and telephone number.
- Table of Contents of RFP

Consultant Experience and Workload

- A description of Consultant's experience in conducting similar studies
- A listing of classification and compensation plans conducted for public employers, preferably for special purpose districts similar to the District
- A description of the Consultant's experience in doing internal equity salary setting.
- A minimum of three references relating to the services being requested, including contact person and phone number.

Personnel Experience

- Description of the proposed Consultant team, including role of each member and their experience and qualifications.

Project Approach and Schedule

- Provide a write-up on the specific tasks listed in the Scope of Work and your approach on how you will complete these, given the District's needs. Include proposed dates and milestones.
- Suggestions for additional services which may benefit the District.

- Proposed project management and communications approach for this contract.

Employee Relations

- Describe proposed methods for informing and educating affected employees regarding the results of the study, and how the Consultant and the District will work together in developing that message.

Cost Proposal

- In the Cost Proposal spreadsheet, the Consultant shall list the different staff proposed to work on this contract, their hourly billing rate, and an estimate of the number of hours required to complete the study.
- The Consultant shall also provide an estimate and a description of all expenses and charges that are anticipated.
- Provide a not-to-exceed maximum amount for the study, based on the Scope of Work.

3.0 Project Requirements

To achieve the desired results, the District will require the project to complete the following:

1. A survey of the prevailing market rate salaries and wages using the Washington Public Utility District Association (WPUA) annual salary survey, the Milliman Northwest Utilities Salary and Wage Survey, and any other relevant local market surveys for agencies or industries similar to the District.
2. An audit of the existing non-represented employee classifications to ensure compatibility with the positions listed in the market surveys.
3. A recommendation for market based salary grade ranges for all non-represented positions, including recommendation for salary increases (step based vs merit based), longevity pay, cost of living adjustments and management leave.
4. Education of affected staff on the results of the study, including implementation of the proposed compensation system.

4.0 Scope of Work

Listed below are the tasks that the Consultant is expected to complete:

Task One – Evaluation of Compensation Strategy: Review the District’s current compensation Resolutions, policies and practices to gain a thorough understanding of the current compensation program for non-represented staff. Conduct interviews with the various classifications of non-represented staff and review job descriptions/duties to understand current classifications and match them to comparable classifications from the market surveys.

Task Two – Marketing and Pricing: Complete a market analysis of the classifications listed in this RFP. Identify benchmark positions appropriate for salary survey application in the future and recommend when salary range adjustments would be necessary.

Task Three – Development of Recommended Compensation Plan: Develop internally equitable, market based salary structure, including ranges, steps, merit pay, longevity, COLA and management leave. Provide a minimum of two alternatives for the salary structure and advancement system.

Task Four – Implementation Plan: Develop implementation plan and quantify fiscal impact to District.

5.0 Evaluation of Proposal

5.1 Method of Evaluation

A panel of District staff members will review the submission based on the criteria listed below and make a recommendation for award. Proposals shall be evaluated based on the following criteria:

1. Consultant Experience and Workload (35 points) – Experience of the Consultant in developing compensation programs for government agencies and/or utility districts. Also considered will be the Consultant’s ability to incorporate this contract into its present workload and the Consultant’s ability to offer the breadth and quality of services required for this contract.
2. Experience of the Personnel Assigned to the Team (25 points) – Significant consideration will be given to the individual qualifications of the team members identified in the proposal, specifically those performing the work.
3. Contract Approach and Schedule (15 points) – This includes a demonstrated understanding of the objectives, scope and purpose of the contract, with a specific explanation of how the consultant proposes to achieve the District’s goals. Innovative suggestions that may increase the value of the Consultant to the District will also be considered.
4. Cost (15 points) – The Cost Proposal will be considered when awarding points.
5. Interview (10 points) – Consultants may be requested to take part in a telephone interview to answer questions from the District’s review panel.

The panel may make a recommendation at the appropriate level for a contract award. Upon approval of this recommendation, District staff will coordinate with the selected firm to complete an Agreement for Professional Services.

The successful Consultant will be required to submit proof of personal and professional liability insurance prior to entering into an agreement with the District.

5.2 Tentative Evaluation Schedule

The schedule of events set out herein represents the District's best estimate of the schedule that will be followed.

Release of RFP	May 31
Last Date for Request for Clarifications	June 13
Closing Date of RFP	June 14
Responses Evaluated	June 20
Possible Interview	June 26-28
Contract Award	July 7
Finalizing Scope of Work, Negotiations and Contract Execution	July 12

2017 Compensation Study Cost Proposal Spreadsheet

Category of Staff (Project Manager, Researcher, etc)	Hourly Rate	Estimate of Number of Hours	Total Cost
Total Estimated Staff Costs			

Description of Expenses	Cost
Total Estimated Expenses	

Total Not-To-Exceed Project Cost _____

_____ DOLLARS

Total Not-To-Exceed Project Cost written out

PROPOSAL SIGNATURE PAGE

Name of Corporation _____

Mailing Address _____

City/State/Zip Code _____

Receipt is hereby acknowledged of addendums(s) No(s). _____, _____, and _____

Individual designated as the point of contact for any questions or concerns related to evaluation of this proposal:

Name of Representative _____

Telephone _____ Email _____

Federal Employee Tax Identification Number _____

Person authorized to bind corporation to the Terms and Conditions of this response:

Authorized Person _____

Title _____

Telephone _____ Email _____

Authorized Signature _____

APPENDIX A

2017 Non-Represented Staff Positions

General Manager
Engineering Manager
Operations Manager
Finance Manager
Human Resources Manager
Information Technology Manager
Community Relations Manager
Assistant Engineering Manager
Engineering Supervisor
Project Manager
Engineering Technician I
Engineering Technician II
Contracts Administrator
Planning Engineer
Capital Projects Manager
Cross Connection Control Coordinator
GIS Coordinator
Asset Analyst
Environmental Services Coordinator
Engineering Technician/Inspector
Surveyor/Locator
Data Technician
Drafting Technician I
Drafting Technician II
Drafting Technician III
Construction Superintendent
Water Treatment Plant Superintendent
Water Quality/Water Treatment Plant Lab Coordinator
Operations Project Coordinator
IT Support Analyst
Network Systems Administrator
Financial Systems Administrator
Customer Service Supervisor
Customer Service Billing Clerk
Customer Service Representative
Executive Assistant / Clerk of the Board
Administrative Assistant
Accounts Payable Accounting Technician
Payroll Accountant/Deputy Treasurer
Senior Accountant