

District of Columbia Retirement Board (DCRB)

Request for Quotations for Executive Compensation Recommendations Services

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900 7th Street, N.W. Second Floor, Washington, DC 20001

District of Columbia Retirement Board
Request for Quotations –
Executive Compensation Recommendations Services

Executive Summary
(Please Limit Response to One Page)

Firm Name: _____

Address: _____

Telephone
Number: _____

Contact
Person: _____

Email: _____

Why should the District of Columbia Retirement Board retain your firm to provide the services listed in this Request for Quotations? Please summarize your firm's strengths in the space provided.

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A. OVERVIEW

The District of Columbia Retirement Board (DCRB), an independent District of Columbia government agency, is a retirement system that manages assets in excess of \$4 billion of the Teachers' Retirement Fund and the Police Officers' and Firefighters' Retirement Fund (the "Funds") on an actuarially sound basis and manages retirement and post-employment benefit programs for participants and beneficiaries of those Funds. The agency is comprised of approximately 45 employees that provide services to approximately 24,000 active and retiree plan participants. The DCRB works closely with various external agencies in administering retirement benefits and disbursements, most notably the U.S. Department of Treasury's Office of District of Columbia Pensions (ODCP) in conjunction with the Bureau of Public Debt (BPD).

This agency is lead by an Executive Director appointed by the Board, which sets the terms and conditions of his/her employment through the use of an employment contract. The current Executive Director's employment contract with the Board is set to expire June 30, 2011. In preparation for Board negotiations, DCRB is requesting that a third party firm identify total compensation practices for Executive Directors among other similar entities including other state retirement system and public sector retirement system Executive Directors. The requested analysis and recommendations should include information on base pay, automatic increases, retirement packages, salary increases, bonuses and other perquisites for up to 15 comparable organizations to be recommended by the consultant.

Since current compensation and benefit are capped by District Codes, the consultant should also provide recommendation of DC Code change language that will allow for recommended compensation levels for the Executive Director position.

B. Scope of Services

Initial Meeting with DCRB (Task 1)

DCRB, as part of this engagement, requests an initial meeting with the consultant to finalize project objectives, timelines, and recommendations for survey comparables and information to be gathered and analyzed. This initial meeting will also provide the consultant with the necessary background materials and direction to move forward with the next phase of the study (total compensation survey).

Total Compensation Survey (Task 2)

The consultant, with the approval of DCRB will develop a customized survey to be sent to up to 15 agreed upon comparables. The survey should include elements of total compensation such as base pay, variable pay, bonuses, retirement packages, executive benefits and other determined perquisites. The consultant shall collect the requested compensation and benefit data and review, analyze and summarize the information to determine a total compensation package amount that would be within market practices for the Executive Director position. These analyses should assist in identifying for DCRB's Compensation Committee whether there are any gaps and/or shortfalls in the current total compensation package provided to the DCRB Executive Director. Analysis of District current pay and benefit statutory limitations will also be reviewed so that recommendations for language changes can also be provided.

Draft Report, Meeting with DCRB Compensation Committee to Present Findings and Recommendations (Task 3)

DCRB is requesting that all study methodology documentation, findings, raw detail data, and study recommendations are included in draft report that will be presented to the DCRB Compensation Committee. Both the Compensation Committee and DCRB staff suggestions will be incorporated into a Final Report, which will ultimately be presented to the full DC Retirement Board.

C. Minimum Qualifications and Proposal Requirements

Proposals should be as succinct as possible while providing an accurate picture of the firm's ability to meet the needs of DCRB in a thorough, accurate, responsive and cost-effective manner. Each proposal must contain the following elements:

Transmittal Letter and Minimum Qualifications

Within the transmittal letter, the proposing firm must include the following:

- 1) The history of your organization in terms of the type of executive total compensation analysis services provided. Include the description of services, recent client reference list (from past 2 years, minimum of 4 clients) and attached client evaluations. In relation to each client listed as a reference, provide: a) the contact name, b) phone number, and c) the content of services delivered.
- 2) Your organization's specific ability to provide these services outlined in this RFP to DCRB. Outline your organization's ability to tailor your services to the specific needs of this RFP.

Professional Staff

In this section, describe the experience of the individuals who will be assigned to the DCRB account. Provide a resume for each member of your organization who may be assisting or conducting this work.

Firm History and Operations

Please address the following questions regarding your firm:

1. How many years has the firm been providing executive total compensation and analysis services?
2. Please identify the location of the primary office that will provide services for DCRB.
3. Describe the ownership structure of the firm, including the relationships of each branch office to the branch offices and to the headquarters. Identify the individual who has overall responsibility for the firm's operations. Please disclose any conflicts of interest that may exist in performing services to DCRB.

References

List three public employee clients for whom the firm has provided similar services within the past two years. For each reference listed, include client name, address, telephone

number, email address and name of a contact person. Please state those clients who have worked with the designated consultants who will be assigned DCRB as a client.

Work Examples

In this section, the bidder shall provide at least 3 relevant work samples from past studies showing similar work that DCRB is requesting. This could include examples of customized surveys developed, comparable analysis, and final recommendations. This can be attached to the RFQ as an appendix but is limited to 15 pages of example work.

D. Fees for Services

The DCRB requires that this contract be a fixed price including all travel, lodging, meals and related expenses. Please describe your fees, including a breakout by hours per project task and consultant based on the methodology and work plan provide in the response.

E. Submission of Proposals

Bidders should submit their proposals to:

Mailing and Delivery Address

Daniel Hernandez
District of Columbia Retirement Board
900 7th Street, NW
Second Floor
Washington, DC 20001

Proposals must be received by:

June 5, 2010
5 p.m., EST

No exceptions to this deadline will be allowed unless DCRB extends the deadline whereupon it will notify recipients of the RFQ. The firm's response to this RFQ shall be no more than 10 pages (exclusive of exhibits). You should submit three (3) copies of your proposal in a sealed package. Please mark on the outside of your package:

District of Columbia Retirement Board
RFQ for Executive Compensation Recommendations Services

Submission of proposals or any portion thereof via fax shall not be accepted. Any firm that wishes to correct, amend or supplement their proposal must do so prior to the filing deadline and must do so by withdrawing its proposal in its entirety and submitting a complete, corrected proposal package. Modification in any other manner will not be accepted.

Proposals become the property of DCRB upon submission and will not be returned. All cost for developing proposals is entirely the responsibility of the firm and shall not be chargeable to DCRB. DCRB accepts no responsibility for lost or late delivery of proposals.

Questions

Questions about the Request for Quotations shall be submitted in writing by email to daniel.hernandez@dc.gov or by fax at (202) 566-5000, Attention: Daniel Hernandez.

F. Evaluation Criteria

Only proposals that meet the Minimum Qualifications will be evaluated. The evaluations may take place in two phases. Phase One will involve review of written proposals. Phase Two may involve interviews with representatives of DCRB that will make the final selection. In both phases of the selection process, firms will be evaluated using the following criteria.

| Criteria | Percentage |
|---|------------|
| Firm past performance conducting similar services | 15% |
| Firm methodology and project plan | 20% |
| Professional staff | 10% |
| Examples of similar services conducted | 10% |
| Fees for services | 45% |

DCRB reserves the right to make an award based upon completion of Phase One of the review process.

G. DCRB Schedule of Events

RFP Released: May 19, 2010

Proposals Due: June 5, 2010

H. Miscellaneous Provisions

The DCRB reserves the right to cancel this RFQ at any time and to reject any and all proposals submitted in response to this RFQ, if the DCRB determines such action or actions to be in the best interest of DCRB.

DCRB also reserves the right to request clarification of any submission, modify or alter the Scope of Services and solicit new submissions, reject any or all submissions, and waive immaterial irregularities in any submission. **DCRB does not intend to entertain limited liability clauses of any type with the vendor selected.**

During contract formation, if DCRB or its agent is unable to agree to contract terms with the candidate receiving the highest evaluation in this RFQ process, DCRB reserves the right to terminate contract negotiations with that candidate. In the event of such an impasse, DCRB may contract with the candidate receiving the next highest evaluation.