

**REQUEST FOR PROPOSALS**  
**Consulting Services**

Issue Date: August 15, 2007

RFP # 2007-002TC

Title: **JLARC Request for Consulting Services to Support Total Compensation Portion of State Employee Compensation Review**

Commodity Code: 91800

Issuing Agency: Commonwealth of Virginia  
Joint Legislative Audit and Review Commission  
Suite 1100, General Assembly Building  
Capitol Square  
Richmond, Virginia 23219

Period of Contract: **Date of Award through December 31, 2008 (Renewable)**

Sealed proposals for furnishing services described herein will be received until **3:00 p.m. on Wednesday, September 12**, and then opened in public.

All inquiries for information should be directed to Glen S. Tittermary, Deputy Director or Justin Brown, Project Leader  
Telephone: (804) 786-1258. FAX (804) 371-0101. E-mail: gtittermary@leg.state.va.us or jbrown@leg.state.va.us

An optional preproposal conference will be held on Wednesday, August 29 at 10:00 a.m. in House Room 1, Capitol Extension, State Capitol, Richmond, VA 23219.

**ALL PROPOSALS, WHETHER MAILED OR HAND-DELIVERED, SHOULD BE DELIVERED DIRECTLY TO THE ISSUING AGENCY AT THE ADDRESS SHOWN ABOVE.**

In compliance with this Request for Proposals, and to all the conditions imposed herein, the undersigned offerors agree to perform consulting services in accordance with the attached signed proposal or as mutually agreed upon by subsequent negotiations.

Name And Address Of Firm:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

City State Zip

FEI/FIN No. \_\_\_\_\_

Email: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_

Printed Name

Signature in Ink

Title: \_\_\_\_\_

Telephone: (\_\_\_\_\_) \_\_\_\_\_

Fax: (\_\_\_\_\_) \_\_\_\_\_

**Note: This public body does not discriminate against faith-based organizations in accordance with the *Code of Virginia*, § 2.2-4343.1 or against a bidder or offeror because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment.**

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## **I. PURPOSE**

The purpose of this Request for Proposal (RFP) is to solicit sealed proposals to establish a contract through competitive negotiation for the purchase of employee total compensation consulting and comparison services by the Joint Legislative Audit and Review Commission (JLARC). Staff of JLARC intend with this RFP to select a contractor with expertise in the areas of employee compensation practices, assessment, and data analysis and comparison. JLARC staff are securing additional contract support to conduct actuarial analysis related to the State's retirement system. Consequently, no actuarial tasks are included in this RFP.

## **II. BACKGROUND**

### **A. Joint Legislative Audit and Review Commission**

JLARC is the oversight agency of the Virginia General Assembly. Through analytic research and evaluation, JLARC helps ensure that the legislature is informed about State program operations, agencies fulfilling legislative intent, and programs operating efficiently, effectively, and economically. JLARC is comprised of 14 legislative members and the Auditor of Public Accounts as an *ex officio* member, and employs approximately 30 research staff. More information about JLARC can be found at: <http://jlarc.state.va.us>.

### **B. JLARC Study Mandate**

At its November 2006 meeting, JLARC directed its staff to study compensation for employees of the Commonwealth. The report is due in October 2008. The study mandate authorized staff to "hire consultants or experts it considers necessary for the completion of the study." Shortly following that meeting, staff began planning for the study and conducting preliminary research. Staff are reviewing all elements of employee compensation for Virginia's classified workforce. Sections II.C and II.D of this RFP summarize Virginia's classified workforce and the major elements of State employee compensation.

### **C. Virginia's Classified Workforce**

Virginia employs more than 70,000 classified employees at more than 200 State agencies. Virginia's Department of Human Resources Management (DHRM) uses a hierarchical taxonomy to categorize and describe these classified employees. Occupational Families represent the first and broadest level. As shown in Table 1 below, there are seven occupational families. Administrative services is the largest with nearly 22,000 employees. Within each of these seven occupational families, there are varying numbers of career groups. These 56 career groups are more specific than occupational families, but less specific than the third and final level of the hierarchy, which is job role. There are 291 job roles in total. For example, within the public safety occupational family, there is the law enforcement career group. Within the law enforcement career group are job roles such as Law Enforcement Officer II and Law Enforcement Officer III. More information may be found on Virginia's classified workforce at: <http://www.dhrm.state.va.us/compensation/jobstructure.html>.

Table 1	
<b>Occupational Families That Constitute the Classified Workforce</b>	
<i>Occupational Family</i>	<i>Number of Employees</i>
Administrative Services	21,867
Public Safety	14,082
Trades & Operations	11,959
Health & Human Services	9,417
Engineering & Technology	6,610
Education & Media Services	4,466
Natural Resources & Applied Science	4,075
<i>Total</i>	<i>72,472</i>

**D. Virginia’s Total Compensation for Classified, Salaried State Employees**

The current compensation system for Virginia’s classified state employees was adopted in September 2000. The system implemented the findings of the Commission on Reform of the Classified Compensation Plan after approval by the Governor and the General Assembly. Virginia’s human resources approach has been recognized as a leader among the states by the Government Performance Project. Recently, the State has begun a multi-year process of implementing new systems to support its human resources and other administrative systems.

For the purposes of this RFP, JLARC staff have identified three major elements of the compensation the State provides to its classified, salaried employees: cash, other financial benefits; and leave and other flexibilities. These elements of compensation should be considered in the context of the work environment, such as job responsibilities and conditions, organizational culture, or industry group.

*Cash Compensation*

The major component of total compensation the State provides is cash in the form of salary to its employees. The State also has in place flexibilities to provide other cash in the form of bonuses. The State’s salary structure for classified employees is organized into nine pay bands, each with a minimum and maximum salary as shown in Table 2. The State uses pay bands with higher maximum salaries for its Northern Virginia region.

Each of the State’s 291 job roles are assigned to one of these pay bands. Average salaries paid within these pay bands vary widely, from housekeeping and/or apparel worker at \$19,416 to physician manager II at \$183,757. More information may be found about the cash compensation Virginia provides to its employees at: <http://www.dhrm.state.va.us/compensation/compPlans.html>.

Table 2

**Classified Employee Pay Bands**

Pay Band	Statewide			Northern Virginia*		
	Minimum Salary	Maximum Salary	Average Salary	Minimum Salary	Maximum Salary	Average Salary
1	\$14,780	\$30,335	\$19,745	\$14,780	\$39,435	\$26,195
2	19,310	39,629	26,578	\$19,310	\$51,518	33,775
3	23,076	47,361	31,601	\$23,076	\$61,569	38,041
4	30,146	61,872	40,847	\$30,146	\$80,434	48,749
5	39,384	80,829	55,773	\$39,384	\$105,077	65,938
6	51,452	105,594	77,312	\$51,452	\$137,273	91,724
7	67,218	137,952	101,795	\$67,218	\$165,543	122,301
8	87,812	180,221	148,482	\$87,812	\$216,265	150,170
9	114,719	Market	183,045	\$114,719	Market	189,094

Note: The Northern Virginia pay bands apply to classified employees located in the counties of Fairfax, Arlington, Prince William and Loudon, and the cities of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park.

*Other Financial Benefits – Health Insurance*

Virginia also offers its classified, salaried employees access to its health insurance program. The program includes various plans from which employees can choose. The three largest in terms of employee membership are COVA Care Basic, COVA Care Plus Out-of-Network and Expanded Dental, and COVA Care Plus Vision, Hearing, and Expanded Dental. For each plan, the State pays the majority of the premium, while the employee pays the rest. For example, in 2006, the total premium for single coverage under the COVA Care Basic plan was \$5,016. The State paid 90 percent, or \$4,536, of the premium and the employee paid the remaining \$480. Each plan has various deductibles, co-insurance, and co-payments. More information may be found about the health insurance Virginia provides to its employees at: <http://www.dhrm.state.va.us/hbenefits/employeeestoc.html>.

*Other Financial Benefits - Retirement*

Virginia's Retirement System (VRS) is a defined benefit retirement plan that also includes a deferred compensation 457 plan. The defined benefit plan guarantees employees who meet the age and years of service criteria a stable benefit amount over the course of their lifetime. While a classified employee is working, the State contributes various amounts into the defined benefit plan each year. The amount of the State's contribution is calculated as a percent of payroll. There is an employee portion of five percent and an actuarially-calculated employer portion. Since 1983, the State has paid both the employer and employee contributions. The State also pays 6.2 percent of each employee's salary to the federal government for Social Security and another 1.45 percent for Medicare. In addition, the State contributes 1.07 percent of each employee's salary to pre-fund the retiree health insurance credit.

Once an employee retires, the actual amount of their retirement benefit is determined by (1) the average of their highest consecutive 36 months of salary, (2) their total years of creditable service, and (3) the multiplier used for their particular plan. The retirement plan for non law-enforcement State employees uses a multiplier of 1.7 percent. The average State employee made \$40,302 in 2006. If an employee with this salary retired in 2007 at age 55 with 30 years of service, he or she would receive \$20,554 (30 x 1.7 x \$40,302) during their first year of retirement. The payment is indexed to inflation (up to a 5 percent cap) in subsequent years and paid for the duration of the employee's life. More information may be found about the retirement benefits Virginia provides to its employees at:  
<http://vrsguide.state.va.us/benefits.html>.

*Other Financial Benefits - Various*

The State also provides other financial benefits to all classified employees, such as subsidized group life insurance. Other financial benefits are also available that apply in more selective situations, such as short-term and long-term disability, education assistance, parking, and child care. More information about these other financial benefits Virginia provides to its employees may be found at:  
<http://www.dhrm.state.va.us/employeebenefits.html>.

*Leave and Other Work / Life Balance Flexibilities*

Classified, State employees have access to leave and other flexibilities designed to provide a balance between work and other aspects of their lives. The State provides various types of leave, foremost of which is annual leave that is accrued by employees at a rate dependent upon their years of service. As shown in Table 3, the State provides other types of leave including paid holidays, sick leave, and family and personal leave. Other categories of leave are available as well based on certain situations, such as community service leave.

Table 3					
<b>Type of Leave and Amount of Days Provided</b>					
<i>Years of Service</i>	<i>Annual Leave</i>		<i>Paid Holidays</i>	<i>Sick Leave Days</i>	<i>Family and Personal Leave Days</i>
	Accrued Days	Carryover Days			
Less than 5	12	24	12 or more	8 or 10	4 or 5
5	15	30			
10	18	36			
15	21	42			
20	24	48			
25	27	54			

The State began phasing-in the Virginia Sickness and Disability Program (VSDP) in January 1999. It includes annual allotments of sick leave and family and personal leave. Employees were given the option to remain in the former program. Those who chose to remain in the former program accrue sick leave that may be carried over, up to a maximum carry-over amount, from year to year. These employees, however, are not eligible for family and personal leave.

The State also offers certain other flexibilities aimed at helping employees achieve a work / life balance. These include flexible work schedules, part-time work schedules, and the potential to telecommute rather than work from a State office each work day. More information about the State's leave and other flexibilities may be found at: <http://www.dhrm.state.va.us/genlbenefits/leavesofabsence.html>.

### **III. STATEMENT OF NEEDS**

The contractor shall furnish all labor and resources for the purpose of providing a variety of consulting and comparison services to support JLARC staff as they broadly assess the total compensation Virginia provides to its classified, salaried employees. The remainder of this section provides specific information about each part of the work to be completed by the contractor.

#### **A. Part 1 - Planning**

The first part of the work to be completed by the contractor is a plan of work which shows the detailed tasks, methods, and activities to be performed, and how the tasks will be scheduled to ensure completion of the work on time. Part 1 will begin at the time of contract award and specific planning tasks will be due shortly after contract award, with ongoing status reporting continuing through the duration of the contract. Part 1 includes two tasks as described below.

##### *Task 1.A - Provide detailed project plan*

Task 1.A is a detailed project plan that identifies the specific work streams and milestones that the contractor will adhere to through the duration of the contract. The project plan should be a written document provided to JLARC staff no later than three weeks after contract award. JLARC staff will hold introductory and informational meetings with the contractor to inform completion of the project plan.

##### *Task 1.B – Participation in periodic status meetings / conference calls*

Task 1.B is participation as requested in periodic status meetings or conference calls conducted by JLARC staff. Contractor staff of appropriate levels of responsibility and functional expertise will be expected to participate to (1) provide updates to JLARC staff on progress towards project plan milestones and (2) contribute suggestions and ideas about other pending activities.

#### **B. Part 2 – Analysis of Total Compensation Trends, Projections, Best Practices, and Innovations**

The second part of requested contractor support is intended to provide JLARC staff with information and analysis about trends, projections, best practices, and innovations in the

area of total compensation. Part 2 will begin at the time of contract award. The information and analysis will be provided consistent with the project plan approved in Task 1.A. Part 2 includes two tasks as described below.

*Task 2.A – Prepare a written report on total compensation trends, projections, best practices, and innovations*

Task 2.A is a written report provided by the contractor to JLARC staff. The report should include information about trends, projections, best practices, and innovations in total compensation. This information should be collected across the federal government, other states, local governments, and private sector employers. The report provided should at a minimum address the following topics: approach to using the mix of cash and non-cash compensation to recruit and retain employees in the current workforce; degree of employee choice in mix of cash and non-cash compensation; approaches to setting and maintaining salary levels for employees; linkage between employee performance and salary levels; use of bonuses and other forms of cash, non-salary compensation; number of salary plans; leave practices, categories, amounts, and flexibilities; and strategies to help employees achieve an appropriate work / life balance.

In addition, the report should include information about trends, innovations, and best practices related to the following aspects of health benefits: comprehensiveness of coverage and groups covered; premium costs and cost-sharing; prevalence and provisions of consumer directed health plans and availability of enhanced consumer information about the quality and cost of services; prevalence and use of risk or salary adjusted premium rates and cost-sharing; health management and prevention (including use of incentives and centers of excellence); prevalence and provisions of high performance or tiered networks; provisions of prescription drug benefits; and retiree health insurance and medical accounts.

The report should also include projections of expected health costs for employers and employees.

*Task 2.B – Provide consultation and additional information as requested to JLARC staff regarding report provided in Task 2.A*

Task 2.B is consultation and additional information, as requested by JLARC staff, about the information provided in Task 2.A. The format of the consultation will be determined after JLARC staff have read and approved the written report provided in task 2.A. It is likely that certain trends, projections, best practices, or innovations discussed in task 2.A will be of particular interest to JLARC staff. In these instances, JLARC staff may want additional information, such as more specific details about implementation, impact, or lessons learned.

**C. Part 3 – Assessment of Virginia’s Current Total Compensation**

The third part of requested contractor support is intended to provide JLARC staff with the contractor’s summary assessment of Virginia’s current approach to total compensation. The assessment will consider the current approach in context of the intended purposes of each major element of compensation, and then be followed by specific recommendations to be considered in Part 5. Part 3 can begin consistent with the project plan approved in Task 1.A. Part 3 includes two tasks as described below.

*Task 3.A - Assess the effectiveness of Virginia's current total compensation against the intended purposes of total compensation*

For each major element of compensation, the contractor should assess the extent to which each element's structure and implementation facilitate (1) recruiting new employees, (2) retaining existing employees, (3) motivating existing employees to perform and achieve organizational objectives, (4) ensuring that existing employees are healthy and productive, (5) allowing employees to retire at the appropriate time and (6) allowing existing employees to maintain an appropriate work / life balance. Across all elements of compensation, the contractor should also assess the extent to which the current mix of cash and benefits is appropriate to support the State's goals. JLARC staff will provide the contractor with qualitative and quantitative information about Virginia's total compensation and classified workforce to support these assessments. The output of this task will be working papers provided to JLARC staff that convey the contractor's assessments based on their experience assessing other organization's approaches to total compensation, existing data, and information provided by JLARC staff. Draft and final versions of the working papers are subject to JLARC staff acceptance and approval.

*Task 3.B - Recommend changes to Virginia's current total compensation that would improve the achievement of the intended purposes of total compensation*

Based on the assessment conducted in Task 3.A, the contractor should make recommendations about how the State's current approach to total compensation could be changed to better achieve the purposes of compensation outlined in task 3.A. The output of this task will be working papers provided to JLARC staff that include specific recommendations, for each major element of total compensation, designed to better achieve the appropriate purpose and address other considerations including short- and long-term costs and employee and employer satisfaction. No recommendations related to redesigning the retirement benefit or structure will be necessary under this task due to the additional contract support secured by JLARC staff to conduct actuarial analysis.

**D. Part 4 – Comparison of Virginia's Total Compensation Approach to Other Employers From Employer, Career Group, and Selected Job Role Perspectives**

*Task 4.A – Employer-Perspective: Compare Virginia's total compensation spending, structure, and mix to the private sector, local governments, other southeastern and mid-Atlantic states, and the federal government*

Task 4.A is a comparison of Virginia's total compensation to other major employers and/or employer averages within major sectors. Employer information should include broad representation in the private sector, local governments, other southeastern and mid-Atlantic state governments, and the federal government. The report should at a minimum provide comparative information in the elements of compensation as described in Table 4.

Much of the data necessary to compile the above information regarding Virginia's compensation is either publicly available or will be provided to the contractor by JLARC staff. The format of the deliverable will be working papers provided to JLARC staff. Draft and final versions of the working papers are subject to JLARC staff acceptance and approval.

Table 4 <b>Elements of Total Compensation for Comparison</b>	
Total Compensation	Proportion of employer spending in salaries, bonuses, health insurance, retirement, other various financial benefits.
Cash Compensation	Description of how employee salary increases and cost of living adjustments are determined (including whether the employer has a pay-for-performance system), amount of cost of living adjustment for latest year(s) available, whether the employer has collective bargaining, and the employer's use of short-term and long-term incentives
Other Financial Benefits	Number and types of health care plans available, description of comprehensiveness of coverage and groups covered, employer and employee share of premiums and out-of-pocket costs, cost and other provisions of prescription drug benefit, risk or salary adjusted premiums and cost-sharing
	Number and types of retirement plans available, employer and employee share of retirement plan contributions, vesting and plan portability, retirement age, amount of retirement benefit, health coverage in retirement
	Brief description of other financial benefits paid for by employer, such as life insurance, short- and long-term disability, long-term care insurance, day care, company cars, etc.
Leave and Other Work / Life Balance Flexibilities	Types of leave available (including annual, sick, personal, administrative, community service, compensatory, and paid-holidays), total days of leave available per year, carryover policies
	Brief description of flexibilities offered, such as part-time or flexible work arrangements, telecommuting, etc.

*Task 4.B – Career Group Perspective: Compare Virginia's total compensation (by each career group where feasible) to averages in the private sector, local government, other southeastern and mid-Atlantic states, and the federal government*

Task 4.B is a comparison of the total compensation Virginia provides to each of its 56 career groups (or as many as possible) to that provided by employers in the private sector, local governments, other southeastern and mid-Atlantic state governments, and the federal government. The comparison should at a minimum include the following information that allows JLARC staff to compare Virginia's total compensation to other employers in as many of the 56 career groups as possible:

- Average and quartile cash compensation, including salaries and bonuses;
- Average monetary value of other financial benefits, including health insurance and retirement; and
- Average amount and/or description information on leave and other work / life flexibilities, including the ability of the career group to have access or use these benefits.

Much of the data necessary to compile the above information regarding Virginia's compensation is either publicly available or will be provided to the contractor by JLARC staff. The format of the deliverable will be working papers provided to JLARC staff. Draft and final versions of the working papers are subject to JLARC staff acceptance and approval.

*Task 4.C – Job Role Perspective: Compare the value and amount of Virginia's total compensation to other employers who compete with the State for employees in selected job roles*

Task 4.C is a comparison of the total compensation Virginia provides to selected job roles in certain geographic locations. The report should compare Virginia's total compensation to employees in these job roles to the total compensation provided by other employers in the private sector, local government, and the federal government that compete with Virginia for staff in the specific job roles. Task 4.C will not begin until the completion of the preceding tasks and JLARC staff completion of various data analyses, interviews, and surveys. This information will be used to select 15 to 20 specific job roles in certain locations of the State that will be the focus of this task. These will likely include career groups and/or job roles such as direct services, security services, architect / engineer manager, transportation operator, registered nurse, building trades / trades technician, law enforcement, and information technology specialists.

The exact information about total compensation to be used under task 4.C will be determined at task initiation in consultation with the contractor. The format of the deliverable will be working papers provided to JLARC staff. Draft and final versions of the working papers are subject to JLARC staff acceptance and approval.

#### **E. Part 5 - Assist JLARC Staff Identify and Assess the Impact of Approximately 20 Potential Changes to Virginia's Current Total Compensation**

The fifth part of contractor work is support to JLARC staff in selecting potential changes to Virginia's current total compensation approach, and working with JLARC staff to assess the impact if the State were to implement the changes. Importantly, work under this part will require coordination with additional contract support JLARC staff are securing to conduct analysis of the impact of changing the State's retirement plan. Work under Part 5 will not begin until substantive completion of the preceding tasks and JLARC staff completion of various data analyses, interviews, and surveys. This information will be used to select approximately 20 potential changes to the current total compensation approach used by the State.

While the specific potential changes for further analysis are not yet known, Table 5 identifies the major areas of impact that will need to be considered. The table defines the impact of the potential changes on (1) the State's ability to achieve the intended purposes of compensation, (2) finances and cost from the employer and employee perspective, and (3) employer and employee satisfaction. These impacts are segmented by those on the employer, which would be the State and its agencies, and employees. To characterize employee impact, several hypothetical employees with various levels of income and other characteristics would likely be used by the contractor to convey the different impact on various employees.

Table 5

**Specific Impacts to Be Addressed in Part 5**

	<i>Employer (State)</i>	<i>Employee</i>
<b>Purpose</b>	<p>How would the potential change affect the State's ability to:</p> <ul style="list-style-type: none"> <li>• <i>recruit</i> qualified staff</li> <li>• <i>retain</i> qualified staff</li> <li>• motivate employees to perform and achieve organizational objectives</li> <li>• ensure employees are healthy and productive</li> <li>• allow employees to retire at the appropriate time</li> <li>• allow employees to maintain an appropriate work / life balance</li> </ul>	<p>How would the potential change affect the attractiveness of total compensation to potential and current employees?</p> <p>How would the potential change affect employee health, including:</p> <ul style="list-style-type: none"> <li>• access to health benefits</li> <li>• use of health benefits, including preventive and wellness services</li> </ul> <p>How would the potential change affect the employee's ability to retire at the appropriate time?</p> <p>How would the potential change affect the employee's work / life balance?</p>
<b>Finances and Cost</b>	<p>How would the potential change affect the State's cost for each element of, and total, compensation?</p> <p>How would the potential change affect the:</p> <ul style="list-style-type: none"> <li>• short and long-term health insurance costs for the State</li> <li>• portion of total health insurance cost covered by the employer</li> </ul> <p>How would the potential change affect the:</p> <ul style="list-style-type: none"> <li>• short and long-term sustainability of retirement funding by the State?</li> <li>• other short and long-term liabilities related to benefits?</li> </ul> <p>What would be the financial impact to the employer in terms of:</p> <ul style="list-style-type: none"> <li>• cost to implement the potential change, including administrative costs?</li> <li>• cost during the transition from the current approach to the potential change?</li> <li>• the net present value cost and payback period of the potential change from the employer's perspective?</li> </ul> <p>What are the other financial impacts, if any, of the potential change?</p>	<p>How would the potential change affect the financial value to employees of each element of, and total, compensation?</p> <p>How would the potential change affect the portion of total health insurance cost covered by employees, including</p> <ul style="list-style-type: none"> <li>• premium costs</li> <li>• out-of-pocket costs</li> </ul> <p>What are the other financial impacts, if any, of the potential change?</p>

Table 5

**Specific Impacts to Be Addressed in Part 5**

<b>Satisfaction</b>	<p>How would the potential change affect overall satisfaction with the total compensation approach, particular by human resources managers and agency staff responsible for implementing programs?</p> <p>How would the potential change impact the employer's ability to reward employee performance?</p> <p>How would the potential change impact the ease of administrating compensation and other employer concerns?</p> <p>How would the potential change affect the ability of the State to maintain its institutional knowledge base?</p> <p>What are the other impacts, if any, of the potential change?</p>	<p>How would the potential change affect employee's overall satisfaction with the total compensation approach?</p> <p>How would the potential change affect employee's ability to cover:</p> <ul style="list-style-type: none"> <li>• basic living expenses</li> <li>• other expenses, such as saving for retirement</li> </ul> <p>How, if at all, would the potential change impact employees of various ages, job roles, or other characteristics?</p> <p>How would the potential change impact the employee's level of choice and flexibility?</p> <p>What are the other impacts, if any, of the potential change?</p>
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Upon initiation of Part 5, JLARC staff will work collaboratively with the contractor to determine the specific potential changes. The completion of Part 5 needs to be consistent with JLARC staff completing a final report no later than October 2008. Consequently, these tasks will likely need to be completed no later than spring of 2008.

**F. Part 6 – Ongoing Follow-up (As Needed)**

The cumulative nature of these tasks suggests that additional work may be necessary that is not addressed in this RFP. Throughout the course of the contract, JLARC staff may wish to work with the contractor to identify additional areas of support. These areas of support may include additional information about how other organizations provide their compensation and additional analyses about the effectiveness of Virginia's current compensation approach. The additional support may also include attendance at meetings or briefings. The need for and extent of this ongoing follow-up will largely depend on three factors:

- (1) The extent to which the requested tasks as envisioned ultimately provide JLARC staff sufficient information necessary to complete the project;
- (2) Overall progress as measured against the October 2008 deadline for project completion; and/or
- (3) Funding constraints.

**G. Legislative Staff Involvement With the Contractor**

Concurrent with work in Parts 1 through 6 above, JLARC staff should be involved in the work completed by the contractor. When working on assignments, the contractor should have regular contact with JLARC staff to detail their work activities, progress towards the project plan discussed in Task 1.A, and the possibility of additional assignments. This

contact should be either verbal (in person or by telephone) or in writing. The contractor will provide JLARC staff with sufficient advance notice of all interviews, site visits, and document reviews to be performed in connection with assignments. JLARC staff reserve the right to accompany the contractor on all site visits, interviews, document reviews, and other activities related to contract assignments.

#### **IV. PROPOSAL PREPARATION AND SUBMISSION INSTRUCTIONS**

##### **A. General Requirements**

1. RFP Response. In order to be considered for selection, offerors must submit a complete response to this RFP. One (1) original and eight (8) copies of each proposal must be submitted to JLARC staff. No other distribution of the proposals shall be made by the offeror.
2. Proposal Preparation.
  - a. Offerors may contact the Department of Human Resource Management (DHRM) and the Virginia Retirement System (VRS) for the purposes of reviewing records, collecting data, or interviewing VRS personnel in relation to proposal preparation. Requests for DHRM or VRS to provide information should be reasonable and directly relevant to the offeror's proposal.
  - b. Proposals shall be signed by an authorized representative of the offeror. All information requested must be submitted. Failure to submit all information requested may result in the purchasing agency requiring prompt submission of missing information and/or giving a lowered evaluation of the proposal. Proposals which are substantially incomplete or lack key information may be rejected by the purchasing agency. Mandatory requirements are those required by law or regulation or are such that they cannot be waived and are not subject to negotiation.
  - c. Proposals should be prepared simply and economically, providing a straightforward, concise description of capabilities to satisfy the requirements of the RFP. Emphasis should be on completeness and clarity of content. Unnecessarily elaborate brochures, art work, expensive paper, and other presentations beyond that sufficient for a complete and effective proposal are not desired.
  - d. Proposals should be organized in the order in which the requirements are presented in the RFP. All pages of the proposal should be numbered. Each paragraph in the proposal should reference the paragraph number of the corresponding section of the RFP. It is also helpful to cite the paragraph number, subletter, and repeat the text of the requirement as it appears in the RFP. If a response covers more than one page, the paragraph number and subletter should be repeated at the top of the next page. The proposal should contain a table of contents which cross references the RFP requirements. Information which the offeror 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 as additional material. Proposals that are not organized in this manner risk

elimination from consideration if the purchasing agency is unable to find where the RFP requirements are specifically addressed.

- e. Each copy of the proposal should be bound in a single volume where practical. All documentation submitted with the proposal should be bound in that single volume.
- f. Ownership of all data, materials, and documentation originated and prepared for the State pursuant to the RFP shall belong exclusively to the State and be subject to public inspection in accordance with *the Virginia Freedom of Information Act*. Trade secrets or proprietary information submitted by an offeror shall not be subject to public disclosure under the *Virginia Freedom of Information Act (Code of Virginia, §2.2-3700 et seq)*; however, the offeror must invoke the protections of subsection B of §2.2-4317 of the *Code of Virginia*, in writing, either prior to or upon submission of data and other materials. The written notice must specifically identify the data or materials to be protected and state the reasons why protection is necessary. The proprietary or trade secret material submitted must be identified by some distinct method such as highlighting or underlining and must indicate only the specific words, figures, or paragraphs that constitute trade secret or proprietary information. The classification of an entire proposal document, line item prices and/or total proposal prices as proprietary or trade secrets is not acceptable and will result in rejection of the proposal.
- g. The Commonwealth will not pay any costs that any contractor incurs in preparing a proposal and reserves the right to reject any and all proposals received.
- h. Offerors who submit a proposal in response to this RFP may be required to give an oral presentation of their proposal to the agency. This provides an opportunity for the offeror to clarify or elaborate on the proposal. This is a fact finding and explanation session only and does not include negotiation. The issuing agency will schedule the time and location of these presentations. Oral presentations are an option of the purchasing agency and may or may not be conducted.

## **B. Specific Requirements**

1. Proposals should be as thorough and detailed as possible so that JLARC staff and others may properly evaluate the Contractor's capabilities to provide the required services. Offerors are required to submit the following items as a complete proposal:
  - a. The RFP cover sheet and addenda, if any, signed and completed as required.
  - b. Complete Offeror Data Sheet (ATTACHMENT A of this RFP).
  - c. A written narrative statement including:

- (1) Information which reflects the qualifications of the offeror to provide services including expertise in actuarial analysis of state pension funds, and experience with pension fund consulting generally and within a legislative environment.
  - (2) The expertise of participating personnel, the proportion of their time available for this contract, and a description of their education, training, and experience which will ensure that all personnel assigned to perform under any resultant contract shall be capable and qualified in the work assigned to them.
- d. Proposed Price
  - e. Resumes of all staff committed to the contract.
  - f. The names and qualifications of all subcontractors proposed for use on this contract.
  - g. Evidence of affiliation with professional associations.
  - h. Letters of reference and contact information and brief description of work performed from one (1) current client for which the offeror provides services similar to those requested in this RFP.
  - i. Letters of reference and contact information and brief description of work performed from two (2) previous clients for which the offeror provided services similar to those requested in this RFP.

## **V. EVALUATION AND AWARD CRITERIA**

### **A. RFP Evaluation Criteria**

Proposals shall be evaluated by JLARC staff and others designated by JLARC staff by the criteria and weighting shown below in Table 6.

Table 6 RFP Evaluation Criteria		
<i>Category and Weight</i>	<i>Sub-criteria, Weight, and Definition</i>	
Technical (65%)	Consistency with Scope of Tasks Requested (25%)	<ul style="list-style-type: none"> <li>• Extent to which requested tasks are addressed within each part</li> </ul>
	Consistency with Depth / Specificity of Tasks Needed (25%)	<ul style="list-style-type: none"> <li>• Extent to which tasks addressed demonstrate sufficient depth and understanding of subject matter</li> <li>• Degree of specificity and rigor conveyed in tasks addressed</li> </ul>
	Past Performance (15%)	<ul style="list-style-type: none"> <li>• Extent of similar work performed for similar clients</li> <li>• Satisfaction of clients with previous work</li> <li>• Favorable letters of reference from sources for which the offeror currently provides or has provided services similar to those requested in the RFP</li> </ul>
Management (20%)	Quality and Rigor of Proposed Management Approach (10%)	<ul style="list-style-type: none"> <li>• Organization and understandability of proposed management approach</li> <li>• Consistency with needed deliverables and timeframes</li> </ul>
	Qualifications of Proposed Personnel (10%)	<ul style="list-style-type: none"> <li>• Number, qualifications, and related experience of the offeror's proposed actuarial and other professionals, including subcontractors if included in proposal</li> <li>• Experience and reputation in compensation consulting and services</li> <li>• Skills of proposed team consistent with skills needed to complete tasks</li> <li>• Extent of compensation assessment experience on proposed team</li> </ul>
Price (15%)	Price (15%)	<ul style="list-style-type: none"> <li>• Proposed amount charged to complete tasks</li> </ul>

**B. Award of Contract**

Selection shall be made of two or more offerors deemed to be fully qualified and best suited among those submitting proposals on the basis of the evaluation factors included in the Request for Proposals, including price, if so stated in the Request for Proposals. Negotiations shall be conducted with the offerors so selected. Price shall be considered, but need not be the sole determining factor. After negotiations have been conducted with each offeror so selected, the agency shall select the offeror(s) which, in its opinion, has made the best proposal(s) and shall award the contract to that offeror; however, the contract may be awarded to a reasonably ranked DMBE-certified small business offeror(s), that is other than the highest ranking offeror(s). The Commonwealth may cancel this Request for Proposals or reject proposals at any time prior to an award, and is not required to furnish a statement of the reasons why a particular proposal was not

deemed to be the most advantageous (*Code of Virginia, § 2.2-4359D*). Should the Commonwealth determine in writing and in its sole discretion that only one offeror is fully qualified, or that one offeror is clearly more highly qualified than the others under consideration, a contract may be negotiated and awarded to that offeror. The award document will be a contract incorporating by reference all the requirements, terms and conditions of the solicitation and the contractor's proposal as negotiated.

**VI. REPORTING AND DELIVERY INSTRUCTIONS**

**A. Written Deliverables**

Table 7 below lists the written deliverables the contractor will be required to submit for payment and the timeframes, if known. All deliverables will be submitted to the project leader for the study and JLARC Deputy Director. The contractor will be required to augment, revise, or summarize all or parts of each deliverable, if deemed necessary by JLARC staff. Deliverables shall be referenceable to detailed working papers and tasks performed.

Table 7 <b>Written Deliverables and Timeframes</b>	
<i>Written Deliverable</i>	<i>Timeframe</i>
1. Detailed project plan (Task 1.A)	Three weeks from contract award
2. Report on total compensation trends, projections, best practices, and innovations (Task 2.A)	Per Task 1.A
3. Draft and final working papers of assessment of effectiveness of Virginia's total compensation (Task 3.A)	Per Task 1.A
4. Draft and final working papers on the employer-perspective: comparing Virginia's total compensation (Task 4.A)	Per Task 1.A
5. Draft and final working papers on the career group perspective: comparing Virginia's total compensation (Task 4.B)	Per Task 1.A
6. Draft and final working papers on the job role perspective: comparing Virginia's total compensation (Task 4.C)	Per Task 1.A
7. Draft and final working papers to assist JLARC staff in identification and assessment of potential changes (Part 5)	Per Task 1.A

**B. Oral Presentations**

In addition to the written deliverables in Table 4, the contractor may be required to conduct presentations at the request of JLARC staff. It is unknown at this time whether and how many presentations may be necessary and whether the contractor will be required to make the presentations and prepare all materials, or support JLARC staff during presentations and preparation of materials. It is likely that JLARC staff will seek support for a presentation to JLARC in late 2007 or early 2008 and another during Fall of 2008. There may be one or two additional presentations in early 2008 to JLARC and/or the Senate Finance and House Appropriations committees.

### **C. Working Paper Control**

To facilitate reviews of contractor working papers by JLARC staff, the Contractor shall exercise strict control over the preparation and maintenance of working papers and shall ensure that all working papers are referenced to source documents. JLARC staff may review working papers and supporting references at any time.

## **VII. PREPROPOSAL CONFERENCE**

An optional, pre-proposal conference will be held at 10:00 a.m. on Wednesday, August 29, 2007, in House Room 1, Capitol Extension, State Capitol, Richmond, VA 23219. The purpose of this conference is to allow potential offerors an opportunity to present questions and obtain clarification relative to any facet of this solicitation. While attendance at this conference will not be a prerequisite to submitting a proposal, offerors who intend to submit a proposal are encouraged to attend. Any changes resulting from this conference will be issued in a written addendum to the solicitation. Please bring a copy of the solicitation with you.

## **VIII. GENERAL TERMS AND CONDITIONS**

### **A. Applicable Laws and Courts**

This solicitation and any resulting contract shall be governed in all respects by the laws of the Commonwealth of Virginia and any litigation with respect thereto shall be brought in the courts of the Commonwealth. The agency and the Contractor are encouraged to resolve any issues in controversy arising from the award of the contract or any contractual dispute using Alternative Dispute resolution (ADR) procedures (Code of Virginia, §2.2-4366). The Contractor shall comply with applicable federal, state and local laws and regulations.

### **B. Anti-Discrimination**

1. By submitting their proposals, offerors certify to the Commonwealth that they will conform to the provisions of the Federal Civil Rights Act of 1964, as amended, as well as the Virginia Fair Employment Contracting Act of 1975, as amended, where applicable, the Virginians With Disabilities Act, the Americans With Disabilities Act and Section 2.2-4311 of the *Virginia Public Procurement Act* (VPPA). If the award is made to a faith-based organization, the organization shall not discriminate against any recipient of goods, services, or disbursements made pursuant to the contract on the basis of the recipient's religion, religious belief, refusal to participate in religious practice, or on the basis of race, age, color, gender or national origin and shall be subject to the same rules as other organizations that contract with public bodies to account for the use of funds provided; however, if the faith-based organization segregates public funds into separate accounts, only the accounts and programs funded with public funds shall be subject to audit by the public body. (*Code of Virginia*, §2.2-4343.1E)
2. In every contract over \$10,000 the provisions in a. and b. below apply:
  - a. During the performance of this contract, the Contractor agrees as follows:

- (1) The Contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex or national origin, or disabilities, except where religion, sex or national origin is a bona fide occupational qualification reasonably necessary to the normal operation of the Contractor. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.
  - (2) The Contractor, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, will state that such Contractor is an equal opportunity employer.
  - (3) Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting the requirements of this section.
- b. The Contractor will include the provisions of the 1. above in every subcontract or purchase order over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

### **C. Ethics in Public Contracting**

By submitting their proposals, offerors certify that their proposals are made without collusion or fraud and that they have not offered or received any kickbacks or inducements from any other offeror, supplier, manufacturer or subcontractor in connection with their proposal, and that they have not conferred on any public employee having official responsibility for this procurement transaction any payment, loan, subscription, advance, deposit of money, services or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value was exchanged.

### **D. Immigration Reform and Control Act of 1986**

By submitting their proposals, the offerors certify that they do not and will not during the performance of this contract employ illegal alien workers or otherwise violate the provisions of the federal Immigration Reform and Control Act of 1986.

### **E. Debarment Status**

By submitting their proposals, offerors certify that they are not currently debarred by the Commonwealth of Virginia from submitting bids or proposals on contracts for the type of goods and/or services covered by this solicitation, nor are they an agent of any person or entity that is currently debarred from submitting bids or proposals on contracts by any agency of the Commonwealth of Virginia.

### **F. Antitrust**

By entering into a contract, the Contractor conveys, sells, assigns, and transfers to the Commonwealth of Virginia all rights, title and interest in and to all causes of action it may now have or hereafter acquire under the antitrust laws of the United States and the

Commonwealth of Virginia, relating to the particular goods or services purchased or acquired by the Commonwealth of Virginia under said contract.

### **G. Mandatory Use of State Form and Terms and Conditions**

Failure to submit a proposal on the official State form provided for that purpose may be a cause for rejection of the proposal. Modification of or additions to the General Terms and Conditions of the solicitation may be cause for rejection of the proposal; however, the Commonwealth reserves the right to decide, on a case by case basis, in its sole discretion, whether to reject such a proposal.

### **H. Clarification of Terms**

If any prospective offeror has questions about the specifications or other solicitation documents, the prospective offeror should contact the JLARC Deputy Director whose name appears on the face of the solicitation no later than five working days before the due date. Any revisions to the solicitation will be made only by addendum issued by JLARC staff.

### **I. Payment**

#### **1. To Prime Contractor:**

- a. Invoices shall be submitted by the Contractor directly to the payment address shown on the purchase order/contract. All invoices shall show the RFP number, state contract number and/or purchase order number; social security number (for individual contractors) or the federal employer identification number (for proprietorships, partnerships, and corporations).
- b. Any payment terms requiring payment in less than 30 days will be regarded as requiring payment 30 days after invoice or delivery, whichever occurs last. This shall not affect offers of discounts for payment in less than 30 days, however.
- c. All services provided pursuant to this Request for Proposals, that are to be paid for with public funds, shall be billed by the Contractor at the contract price, regardless of which public agency is being billed.
- d. The following shall be deemed to be the date of payment: the date of postmark in all cases where payment is made by mail, or the date of offset when offset proceedings have been instituted as authorized under the Virginia Debt Collection Act.

#### **2. To Subcontractors:**

- a. A Contractor awarded a contract under this solicitation is hereby obligated:
  - (1) To pay the subcontractor(s) within seven (7) days of the Contractor's receipt of payment from the Commonwealth for the proportionate share of the payment received for work performed by the subcontractor(s) under the contract; or

- (2) To notify the agency and the subcontractor(s), in writing, of the Contractor's intention to withhold payment and the reason.
- b. The Contractor is obligated to pay the subcontractor(s) interest at the rate of one percent per month (unless otherwise provided under the terms of the contract) on all amounts owed by the Contractor that remain unpaid seven (7) days following receipt of payment from the Commonwealth, except for amounts withheld as stated in VIII I 2 a (2) above. The date of mailing of any payment by U. S. Mail is deemed to be the date of payment to the addressee. These provisions apply to each sub-tier contractor performing under the primary contract. A Contractor's obligation to pay an interest charge to a subcontractor may not be construed to be an obligation of the Commonwealth.

#### **J. Precedence of Terms**

The General Terms and Conditions set forth in Paragraphs A through I (Applicable Laws and Courts, Anti-Discrimination, Ethics in Pubic Contracting, Immigration Reform and Control Act of 1986, Debarment Status, Antitrust, Mandatory Use of State Form and Conditions, Clarification of Terms, and Payment) shall apply in all instances. In the event there is a conflict between any of the other General Terms and Conditions and any Special Terms and Conditions in this solicitation, the Special Terms and Conditions shall apply.

#### **K. Qualifications of Offerors**

The Commonwealth may make such reasonable investigations as deemed proper and necessary to determine the ability of the offeror to perform the services and the offeror shall furnish to the Commonwealth all such information and data for this purpose as may be requested. The Commonwealth reserves the right to inspect the offeror's physical facilities prior to award to satisfy questions regarding the offeror's capabilities. The Commonwealth further reserves the right to reject any proposal if the evidence submitted by, or investigations of, such offeror fails to satisfy the Commonwealth that such offeror is properly qualified to carry out the obligations of the contract and to provide the services contemplated therein.

#### **L. Testing and Inspection**

The Commonwealth reserves the right to conduct any test/inspection it may deem advisable to assure services conform to the requirements herein.

#### **M. Assignment of Contract**

A contract shall not be assignable by the Contractor in whole or in part without the written consent of the Commonwealth.

#### **N. Changes to the Contract**

1. The Purchasing Agency may order changes within the general scope of the contract at any time by written notice to the Contractor. Changes within the

general scope of the contract include, but are not limited to, things such as services to be performed, the method of packing or shipment, and the place of delivery or installation. The Contractor shall comply with the notice upon receipt. The Contractor shall be compensated for any additional costs incurred as the result of such order and shall give the Purchasing Agency a credit for any savings. Said compensation shall be determined by one of the following methods:

- a. By mutual agreement between the parties in writing; or
  - b. By agreeing upon a unit price or using a unit price set forth in the contract, if the work to be done can be expressed in units, and the Contractor accounts for the number of units of work performed, subject to the Purchasing Agency's right to audit the Contractor's records and/or to determine the correct number of units independently; or
  - c. By ordering the Contractor to proceed with the work and to keep a record of all costs incurred and savings realized. A markup for overhead and profit may be allowed if provided by the contract. The same markup shall be used for determining a decrease in price as the result of savings realized. The Contractor shall present the Purchasing Agency with all vouchers and records of expenses incurred and savings realized. The Purchasing Agency shall have the right to audit the records of the Contractor as it deems necessary to determine costs or savings. Any claim for an adjustment in price under this provision must be asserted by written notice to the Purchasing Agency within thirty (30) days from the date of receipt of the written order from the Purchasing Agency. If the parties fail to agree on an amount of adjustment, the question of an increase or decrease in the contract price or time for performance shall be resolved in accordance with the procedures for resolving disputes provided by the Disputes Clause of this contract or, if there is none, in accordance with the disputes provisions of the Commonwealth of Virginia Vendor's Manual. Neither the existence of a claim nor a dispute resolution process, litigation or any other provision of this contract shall excuse the Contractor from promptly complying with the changes ordered by the Purchasing Agency or with the performance of the contract generally.
2. The parties may agree in writing to modify the scope of the contract. An increase or decrease in the price of the contract resulting from such modification shall be agreed to by the parties as a part of their written agreement to modify the scope of the contract.

#### **O. Default**

In case of failure to deliver goods or services in accordance with the contract terms and conditions, the Commonwealth, after due oral or written notice, may procure them from other sources and hold the Contractor responsible for any resulting additional purchase and administrative costs. This remedy shall be in addition to any other remedies which the Commonwealth may have.

**P. Insurance**

1. By signing and submitting a proposal under this solicitation, the offeror certifies that if awarded the contract, it will have the following insurance coverages at the time the work commences. Additionally, that it will maintain these during the entire term of the contract and that all insurance coverages will be provided by insurance companies authorized to sell insurance in Virginia by the Virginia State Corporation Commission.
2. During the period of the contract the Commonwealth reserves the right to require the Contractor to furnish certificates of insurance for the coverage required.

Minimum Insurance Coverages And Limits Required:

- a. Worker's Compensation - Statutory requirements and benefits.
- b. Employers Liability - \$100,000.
- c. Commercial General Liability - \$1,000,000 per occurrence. Commercial General Liability is to include bodily injury and property damage, personal injury and advertising injury, products and completed operations coverage. The Commonwealth of Virginia must be named as an additional insured and so endorsed on the policy.
- d. Automobile Liability - \$1,000,000 per occurrence
- e. Professional Liability/Errors and Omissions coverages are required as follows:
  - (1) Contractor Services \$1,000,000 per occurrence, \$3,000,000 aggregate

**Q. Announcement of Award**

Upon the award or the announcement of the decision to award a contract over \$50,000, as a result of this solicitation, the purchasing agency will publicly post such notice on the DGS/DPS eVA web site ([www.eva.state.va.us](http://www.eva.state.va.us)) for a minimum of 10 days.

**R. Drug-free workplace**

1. During the performance of this contract, the Contractor agrees to (i) provide a drug-free workplace for the Contractor's employees; (ii) post in conspicuous place, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the Contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition; (iii) state in all solicitations or advertisements for employees placed by or on behalf of the Contractor that the Contractor maintains a drug-free workplace; and (iv) include the provisions of the foregoing clauses in every subcontract or purchase order of

over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

2. For the purposes of this section, “drug-free workplace” means a site for the performance of work done in connection with a specific contract awarded to a Contractor, the employees of whom are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession or use of any controlled substance or marijuana during the performance of the contract.

#### **S. Non-discrimination of Contractors**

A bidder, offeror, or Contractor shall not be discriminated against in the solicitation or award of this contract because of race, religion, color, sex, national origin, age, disability, faith-based organizational status, any other basis prohibited by State law relating to discrimination in employment or because the bidder or offeror employs ex-offenders unless the State agency, department or institution has made a written determination that employing ex-offenders on the specific contract is not in its best interest. If the award of this contract is made to a faith-based organization and an individual, who applies for or receives goods, services, or disbursements provided pursuant to this contract objects to the religious character of the faith-based organization from which the individual receives or would receive the goods, services, or disbursements, the public body shall offer the individual, within a reasonable period of time after the date of his objection, access to equivalent goods, services, or disbursements from an alternative provider. (*Code of Virginia*, §2.2-4343.1H).

### **IX. SPECIAL TERMS AND CONDITIONS**

#### **A. Compliance with Procedures**

The Contractor shall comply with all procedural instructions that may be issued from time to time by JLARC. However, the terms and conditions of the contract will not change.

#### **B. Audit**

The Contractor hereby agrees to retain all books, records, and other documents relative to this contract for five (5) years after final payment, or until audited by the Commonwealth of Virginia, whichever is sooner. JLARC, its authorized agents, and/or State auditors shall have full access to and the right to examine any of said materials during said period.

#### **C. Cancellation of Contract**

JLARC reserves the right to cancel and terminate any resulting contract, in part or in whole, upon 60 days written notice to the Contractor. Any contract cancellation notice shall not relieve the Contractor of the obligation to deliver and/or perform all outstanding orders issued prior to the effective date of cancellation.

#### **D. Indemnification**

The Contractor agrees to indemnify, defend and hold harmless the Commonwealth of Virginia, its officers, agents, and employees from any claims, damages, and actions of any kind or nature, whether at law or in equity, arising from or caused by any services of any kind or nature provided by the Contractor, provided that such liability is not attributable to the sole negligence of the using agency.

#### **E. Use of Subcontractors**

1. The use of subcontractors is permitted. However, offerors must specify in their proposals the names, addresses, and telephone numbers of all subcontractors to be used, and the work the subcontractors are to complete. Proposals must describe the qualifications of the subcontractors. JLARC reserves the right to reject the use of any subcontractor which fails to meet any of the requirements of this solicitation.
2. Where it is practicable for any portion of the awarded contract to be subcontracted to other suppliers, the Contractor is encouraged to offer such business to small, women, and/or minority-owned (SWAM) businesses. If SWAM subcontractors are used, the prime contractor agrees to report the use of SWAM subcontractors by providing JLARC, at a minimum, with the following information: name of firm, phone number, total dollar amount subcontracted, category type (small, women, or minority-owned), and type of product/service provided.

#### **F. Extension of Contract**

This contract may be extended by JLARC under the terms and conditions of the original contract. Prices of the additional work under the extension will be negotiated at the time of extension and will be contingent upon available appropriated funds and a price mutually agreeable to both JLARC and the contractor.

#### **G. Availability of Funds**

It is understood and agreed between the parties herein that JLARC shall be bound hereunder only to the extent of the funds available or which may hereafter become available for the purpose of this agreement.

#### **X. METHOD OF PAYMENT**

- A. The Contractor shall be paid based upon invoices submitted, according to a schedule to be negotiated between the parties having regard to specific work products and/or deliverables.
- B. Submit invoices to:  
Joint Legislative Audit and Review Commission  
Suite 1100, General Assembly Building  
Capitol Square  
Richmond, Virginia 23219

**XI. PRICING SCHEDULE**

The contractor shall provide pricing information based on deliverables for each part (Parts 1 through 6) as set forth in the Statement of Needs.

**XIII. ATTACHMENT**

Offeror Data Sheet

**ATTACHMENT A**

**OFFEROR DATA SHEET**

To Be Completed By Offeror

1. List full name and address(es) of Offeror and any branch offices which shall be responsible for administering the contract.

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2. List names and titles of all personnel (supervisory and otherwise) who shall be committed on any resulting contract. Specify names and phone numbers of supervisors who may be contacted by JLARC staff.

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3. Indicate the length of time you have been in business providing the types of services described in the Statement of Needs (section III) in the RFP.

\_\_\_\_\_ years    \_\_\_\_\_ months

4. Check all attachments included with your proposal (described in section IV B of this RFP):

- Signed Request for Proposals Cover Sheet.
- Offeror Data Sheet (Attachment A).
- Narrative statement.
- Staff resumes.
- Evidence of Affiliation with Professional Associations.
- Letters of Reference

