



MoDOT and Patrol Employees' Retirement System

Request for Proposal

Compensation Consultant

Date Due
July 31, 2018

Scott Simon
Executive Director

SECTION I – INTRODUCTION

A. Overview

The MoDOT and Patrol Employees' Retirement System (MPERS) is seeking the services of a compensation consultant (an individual or consulting firm) to review the system's compensation plan and present recommendations to the executive director and to the Board of Trustees (Board) regarding implementation, improvements and maintenance of the plan.

The system's compensation plan is intended to present competitive salaries for staff based upon the state and local market data and competitive salaries for members of the executive staff based upon the state and national market data. MPERS has a seventeen person workforce with five executive staff members consisting of the executive director, assistant executive director, chief investment officer, chief financial officer, and the general counsel.

The Board, taking into account performance and the recommendations of the compensation consultant, determines the executive director's compensation annually. The chief investment officer is employed under a written contract that presents a base salary and incentive compensation based on portfolio performance that exceeds established benchmarks. All investment staff are under a similar incentive compensation program tied to portfolio performance. The operations staff are under an incentive compensation program that may result in increases in compensation from zero to five percent annually based on operational objectives achieved during the prior year. A copy of the system's organization chart is attached. Additional information can be obtained from the MPERS' contact presented in this request for proposal and also by viewing MPERS' website at www.mpers.org.

MPERS is an instrumentality of the state of Missouri vested with the powers and duties specified in state law. It is governed by an 11-member Board of Trustees, responsible for overseeing the administration of a defined benefit retirement plan, death benefit, and disability program for 18,000 active, deferred, and retired employees of the Missouri Department of Transportation, the Missouri State Highway Patrol, and MPERS. MPERS is responsible for managing a \$2.2 billion dollar portfolio of investments held in trust for the payment of member benefits. The disability insurance program for the members is administered by an insurance company.

B. Primary Project Scope

- Conduct a market pay analysis for all MPERS' staff classifications including, but not limited to, references to both public pension fund and private sector data, endowments, foundations, financial institutions, and insurance institutions.
- Make recommendations to update or improve MPERS' compensation plan.
- Make recommendations regarding implementation and maintenance of MPERS' compensation plan, including specific adjustments, if any, related to any staff or positions presented.

- Make recommendations specific to the salary for the executive director and the compensation, including salary and incentives, for the chief investment officer. The recommendations related to the executive director and chief investment officer should be presented in a confidential section of the consultant’s final report.
- Agree to provide annual market data for Fiscal Years 2020 to 2024 for as many of MPERS’ classifications as can be benchmarked to maintain MPERS’ compensation plan.
- Prepare a final report to be delivered to the executive director no later than October 1, 2018.
- Present a summary of the work performed and provide recommendations to the Board during their meeting scheduled for November 29, 2018. Such presentation may be done via telephone unless the consultant is asked to appear in person for this meeting at the Board’s discretion.
- Provide suggestions for incorporating salary survey results in relation to the incentive compensation plan for the operations staff.
- Explain how salary data is compared when smaller organizations, like MPERS, are involved. In other words, we perform most (if not all) of the same duties as our larger counterparts, but pay is often not at the same level.

C. Supplemental Services

MPERS also seeks the ongoing availability of the compensation consultant, on an hourly fee basis for fiscal years 2020 to 2024 (the fiscal year is July 1 through June 30), to consult with the executive director or the Board as needed regarding compensation matters. Further details are noted in later sections of this RFP.

D. Instructions for Submitting Proposals

To be considered, the proposal must be received by MPERS, no later than 3:00 p.m., **Tuesday, July 31, 2018**. MPERS reserves the right to reject any or all proposals submitted. Any inquiries or questions concerning the request for proposal should be made to:

Greg Beck, Assistant Executive Director
greg.beck@mpers.org (573) 298-6019

Any firm notifying MPERS of its intent to bid will be updated with any clarifications or additional information provided to other firms. Two paper copies of the completed response to the RFP shall be submitted to:

Mailing	Delivery
MPERS	MPERS
c/o Greg Beck	c/o Greg Beck
PO Box 1930	1913 William Street
Jefferson City, MO 65102-1930	Jefferson City, MO 65109

An electronic copy of the completed response should be attached to an email addressed to Greg Beck at greg.beck@mpers.org.

SECTION II – PROPOSAL CONTENT

The proposal should include the following information.

A. Corporate Summary

Include length of time in business and a narrative that supports why your organization is qualified to undertake the scope of work presented in this request. This summary should include brief descriptions of any projects for which you have been engaged that are similar to the one requested in this RFP.

B. Contact Information

Include name and contact information for the primary contact on this RFP. In addition, name, title, brief biography, education, experience, and contact information for the staff you plan to assign to this project should be included.

C. Work Plan

Your work plan should include the following points:

- A detailed project approach, including a description of the steps the vendor will take to complete this project including a timeline for the steps
- A description of how the vendor will consult with and make presentations to the MPERS' Board and staff during the work including either a telephone presentation or in person presentation to the Board
- A description of any potential problems anticipated in completing the project scope, the vendor's approach to resolving these problems, and any special assistance that will be requested from MPERS' staff

D. Objectives

- Provide a list of inputs the Board will need to provide in terms of objectives for the study.
- Provide a list of items staff will need to provide in order for the vendor to complete the project scope.

E. References

- Provide three clients we can call for references. If possible, we prefer references from organizations similar to MPERS in nature of business and size. For each client, please include the following details:
 - Name, address, and phone number of the client
 - Brief description of the scope of the project
 - Start and end date of each project

F. Cost and Pricing

- MPERS seeks a firm fixed price bid for the primary project scope presented.
- MPERS also seeks optional fixed costs for travel to Jefferson City, Missouri, to attend one Board meeting for presenting the final report.
- Provide a separate cost option for an hourly fee proposal to consult with the executive director and the Board during fiscal years 2020 to 2024, including follow-on recommendations for the System's compensation plan as noted in Section III, Paragraph E.

G. Additional Information

The vendor should provide any other information believed to be relevant to this project.

SECTION III: DELIVERABLES

A. List of Sources

Provide a list of sources of the survey data.

B. Summary Results

Provide summary results from pay analysis for each position.

C. Salary Recommendations

Provide recommendations for changes or modifications to MPERS' compensation plan and salary recommendations for each MPERS position relating to the compensation plan as well as specific, confidential recommendations for the executive director and chief investment officer.

D. Presentation

Deliver a presentation either in person or via telephone to the Board on the work performed and final salary recommendations on November 29, 2018. The final report is to be attached to an email sent to the executive director at Scott.Simon@mpers.org.

E. Supplemental Services

Provide a separate cost option that identifies the staff and corresponding hourly rates for the compensation consultant services for fiscal years 2020 to 2024 to consult with the executive director or the Board on an as needed basis.

SECTION IV – SELECTION PROCEDURE

Proposals will be evaluated by MPERS' staff and all bids may be presented to the Board for final approval. Proposals submitted in response to this RFP may be accepted as submitted, or may be used as a basis for further negotiation of specific project details with the vendor. In evaluating proposals, MPERS' staff will consider the following factors:

- Soundness of the approach and quality of the work plan
- Firm qualifications
- Individual qualifications of the assigned staff
- Cost

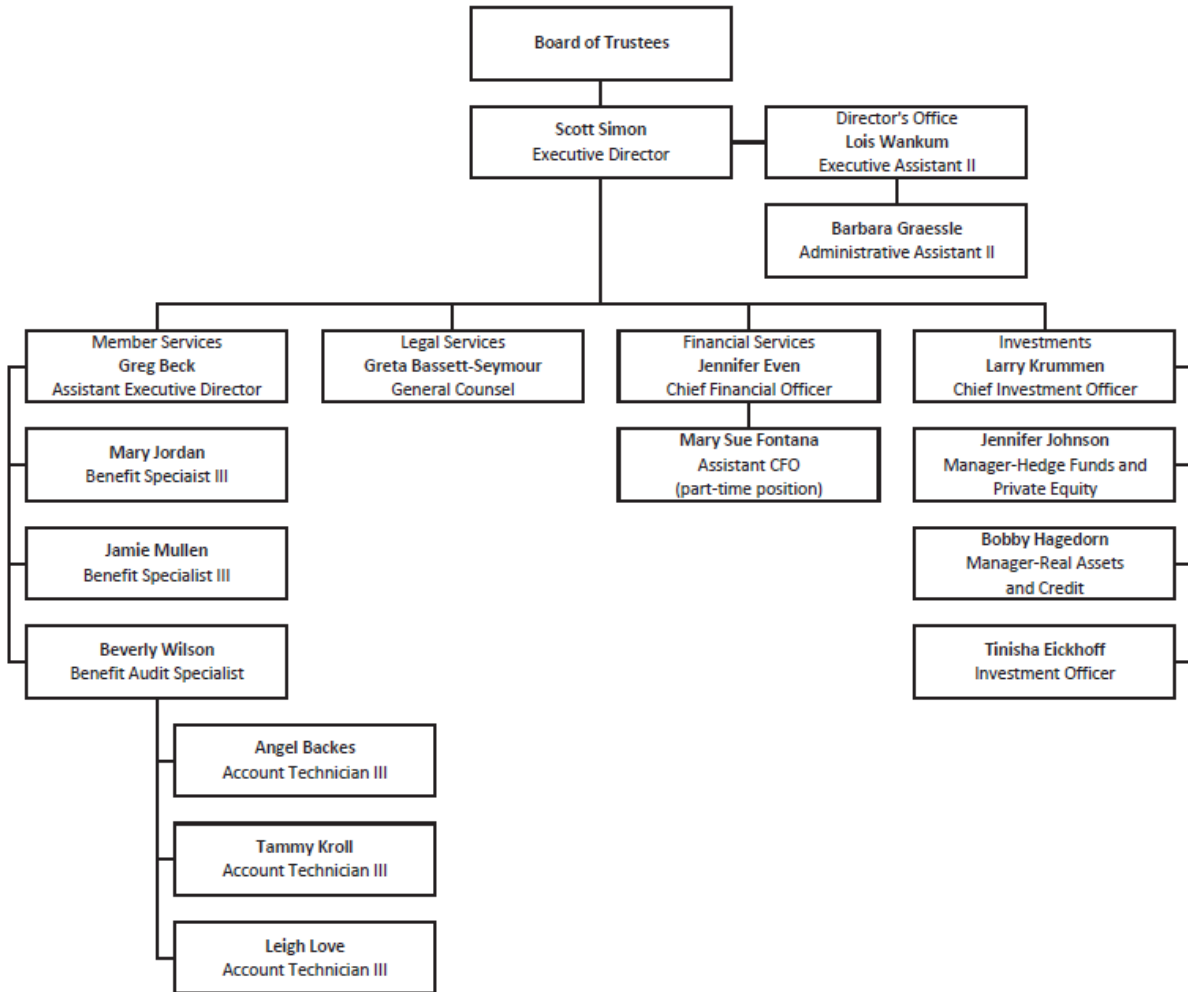
SECTION IV – MPERS' POLICIES

- MPERS reserves the right to reject any or all proposals received. There is no expressed or implied obligation for MPERS to reimburse responding vendors for any expenses incurred in preparing proposals in response to this request. MPERS also reserves the right to request additional information or clarification from respondents or to allow corrections of errors or omissions at any time during the evaluation process.
- Proposals and reports of findings and recommendations will be treated by MPERS as a closed record with regard to individual salary information contained in the proposals pursuant to sections 610.021(3) & (13), RSMo., in order to promote candid discussion by members of the Board in considering individual salaries and further, to protect the privacy of individual employees. Once final salary decisions are made, those salaries will be treated as an open record. As noted above, the recommendations and information related to the salary of the executive director and the chief Investment Officer is particularly sensitive in that these matters are determined by the Board either annually or through a periodic contract negotiation.
- Any trade secret information contained in the submitted proposal should be marked as confidential. MPERS will require supporting documentation as to the trade secret claim in the event of a public records request. The firm will be required to defend the trade secret claim in the event of a contest of the status of any such material and shall hold MPERS harmless as to any damages, attorney fees and/or costs if a decision is rendered by any court that the materials are subject to disclosure under the Missouri public records laws.
- This request for proposal is neither a contract nor an offer to contract.
- The contractor represents himself or herself to be an independent contractor offering such services to the general public and shall not represent himself/herself (or his/her employees) to be an employee of the state of Missouri or MPERS. Therefore, the contractor shall assume all legal and financial responsibility for taxes, FICA, employee fringe benefits, workers' compensation, employee insurance, minimum wage requirements, overtime, etc., and agrees to indemnify, save, and hold harmless MPERS, its officers, agents, and employees, from and against, any and all loss, cost (including attorney fees), and damages of any kind related to such matters.

- All reports and materials developed or acquired by the contractor as a direct requirement specified in the project shall become the property of MPERS. No reports or materials prepared as required by the project shall be released to the public without prior written consent of MPERS. The contractor shall keep confidential all information, records, and reports furnished to it by MPERS or which contractor generates or produces under this project.
- Political Contributions, Gifts and Communications – You are advised that all staff and the Board members are fiduciaries to the System. Under the Board’s Governance Policies and under the System’s personnel policies, it is prohibited that any outside service provider make any political contribution or gift with the intent of influencing a purchasing, hiring or firing decision made at MPERS. In addition, communications with a trustee regarding any matter that may be brought before the Board could result in the disqualification of the trustee from the consideration of that matter.
- Federal Work Authorization Program Policy – The vendor, with respect to the employees working in connection with the contracted services, shall not knowingly employ any person who is an unauthorized alien in connection with the contracted services.

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# Attachment – Organizational Chart



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