



OFFICE OF THE
STATE AUDITOR

**Award Justification Statement
Solicitation NO 2017-TCS**

Conclusion

Overall, the evaluation committee determined that the proposal submitted by Gallagher Benefit Services provides the best value to the State.

Background

In accordance with Part 7 of the Utah Procurement Code and applicable administrative rules, the Office of the State Auditor (OSA) publicly issued a Request for Proposals (RFP) to “enter into a contract with a qualified firm to conduct a total compensation study to see how the [State of Utah] compares to [OSA’s] target market in both salary and benefits.” (Solicitation NO 2017-TCS, page 1) The Utah Division of Purchasing facilitated a courtesy RFP posting on the Utah Public Procurement Place portal with an open date of 6/23/2017 at 9:00 a.m. MDT and a close date of 7/24/2017 at 12:00 p.m. MDT.

Evaluation Process

The Office of the State Auditor (OSA) received proposals from the following offerors in response to Solicitation NO 2017-TCS:

- Gallagher Benefits Services
- Offeror B

However, Offeror B submitted its proposal subsequent to the solicitation submission deadline of July 24, 2017 at 12:00 p.m. MDT. Consequently, per Utah Code § 63G-6a-704(2) and the conditions outlined in our solicitation, Offeror B’s proposal was deemed late and ineligible for further consideration.

The OSA appointed a four-member evaluation committee to evaluate the sole remaining proposal submitted by Gallagher Benefits Services (GBS). Following preliminary independent evaluations of the GBS proposal, the committee met to deliberate further and arrive at a total recommended consensus score. As a result, the committee determined that the GBS proposal met all six of the minimum mandatory requirements outlined in Solicitation NO 2017-TCS. In addition, the following paragraphs describe each of the 12 technical scoring categories and explain the scores assigned to the GBS proposal by the OSA evaluation committee.

1. Three years of required experience demonstrated (5 points possible)

“The offeror must have at least three years of experience performing salary or benefits surveys, economic consulting, market research studies, and projections or actuary studies. Please detail the offeror’s experience in this area.” (Solicitation NO 2017-TCS, page 6)

GBS claims over 30 years of experience working on over 500 similar consulting engagements for various states, cities, counties, and other public entities.

Out of a possible 5 points in this category, GBS scored a 4.8. In the opinion of the OSA evaluation committee, GBS provides the best value to the State in this category.

2. Senior level experience (5 points possible)

“The offeror must assign as the lead contact at least one senior-level, experienced individual with decision-making authority for the offeror. Provide the name and credentials of the person to be assigned.” (Solicitation NO 2017-TCS, page 6)

GBS designated a GBS firm managing director, Bruce G. Lawson, to serve as the project director. Bruce holds an MPA and is a Certified Compensation Professional (CCP) and an International Public Management Association-Senior Certified Professional (IPMA-SCP) who has directed similar projects for more than 300 jurisdictions.

Out of a possible 5 points in this category, GBS scored a 4.5. In the opinion of the OSA evaluation committee, GBS provides the best value to the State in this category.

3. Key staff experience & education (10 points possible)

“The offeror must identify key staff that will handle the account and detail the following information for each:

- Education and training
- Years of experience in their assigned role
- List of job responsibilities

Note: Please include an organizational chart” (Solicitation NO 2017-TCS, page 6)

GBS included a detailed list of individuals that would be associated with this particular project, including the project director, technical advisor, and project team members. This list includes the educational background, professional certifications, years of experience, and specific job responsibilities for each team member. GBS also included an organizational chart. While we would have appreciated more information about the individual staff responsibilities on this particular project, GBS demonstrated that they have qualified staff.

Out of a possible 10 points in this category, GBS scored a 7. In the opinion of the OSA evaluation committee, GBS provides the best value to the State in this category.

4. Methodologies used to analyze reliable, valid, defensible results (20 points possible)

“Describe experience and methodologies used to analyze survey results and describe how those methodologies will be utilized to produce reliable, valid, and defensible results.” (Solicitation NO 2017-TCS, page 6)

Although we would have appreciated more detail in the proposal, GBS claims to follow professionally accepted compensation principles and practices as outlined by *WorldatWork*, SHRM, and the Department of Justice. More specifically, GBS claims that it will

- Follow specific guidelines for job matching (e.g., match only those jobs that match at least 80 percent of the duties, responsibilities, and functions outlined in the benchmark job summary);

- Follow professionally accepted guidelines for defining labor markets and selecting organizations to survey;
- Draw upon its 30 years of salary and benefits survey experience to determine if a comparable job can be found in the labor market;
- Develop a data collection form that poses questions in a fashion that is easy for participants to answer, as well as being easy to quantify and analyze.
- Follow up with participants to ensure data quality and validity of matches and data reported;
- Perform several reviews of the data as well as statistical tests to identify any extreme data;
- Utilize trend factors (derived from the U.S. Department of Labor data or *WorldatWork* Surveys) for aging data so that all data is consistent to a current point in time;
- Apply geographic differentials as appropriate and necessary to ensure that the data are reflective of the State's labor market and economic conditions; and
- Follow the Federal Trade Commission and U.S. Department of Justice guidelines that 5 matches should exist per job in order to draw reliable conclusions.

Out of a possible 20 points in this category, GBS scored a 13. In the opinion of the OSA evaluation committee, GBS provides the best value to the State in this category.

5. Demonstrated ability to Conduct the Survey (5 points possible)

“Describe how the survey will be conducted (e.g., online, paper mailing, etc.). Describe how the offeror's method of conducting surveys fulfills the demands identified in the scope of work section and provide a survey sample.” (Solicitation NO 2017-TCS, page 6)

GBS provided a description of the methods they will use. GBS also demonstrated how they will conduct the survey, and has conducted similar surveys in other states.

Out of a possible 5 points in this category, GBS scored a 4.3. In the opinion of the OSA evaluation committee, GBS provides the best value to the State in this category.

6. Survey method (5 points possible)

“Describe how the survey will be conducted (e.g., online, paper mailing, etc.). Describe how the offeror's method of conducting surveys fulfills the demands identified in the scope of work section and provide a survey sample.” (Solicitation NO 2017-TCS, page 6)

GBS provided a sample survey in their proposal. GBS expects to conduct a paper survey, and will use professional standards and verify the data collected through visual review and follow-up calls.

Out of a possible 5 points in this category, GBS scored a 3.5. In the opinion of the OSA evaluation committee, GBS provides the best value to the State in this category.

7. Analysis produces reliable, valid defensible results (5 points possible)

“Describe how the analysis methods offered for each demand identified in the scope of work section will produce reliable, valid, and defensible results.” (Solicitation NO 2017-TCS, page 6)

GBS claims to follow professionally accepted compensation principles and practices as outlined by *WorldatWork*, SHRM, and the Department of Justice. More specifically, GBS will

- Follow specific guidelines for job matching (e.g., match only those jobs that match at least 80 percent of the duties, responsibilities, and functions outlined in the benchmark job summary);
- Follow professionally accepted guidelines for defining labor markets and selecting organizations to survey;
- Draw upon its 30 years of salary and benefits survey experience to determine if a comparable job can be found in the labor market;
- Develop a data collection form that poses questions in a fashion that is easy for participants to answer, as well as being easy to quantify and analyze; and
- Follow up with participants to ensure data quality and validity of matches and data reported.

Out of a possible 5 points in this category, GBS scored a 3.5. In the opinion of the OSA evaluation committee, GBS provides the best value to the State in this category.

8. Benefit cost experience (1.25 points possible)

“Describe the offeror’s experience measuring benefit costs as described in the scope of work section and describe the methodologies used. Provide an example.” (Solicitation NO 2017-TCS, page 7)

GBS adequately addressed this area.

Out of a possible 1.25 points in this category, GBS scored a .8. In the opinion of the OSA evaluation committee, GBS provides the best value to the State in this category.

9. Benefit value experience (1.25 points possible)

“Describe the offeror’s experience measuring benefit values as outlined in the scope of work section and describe the methodologies used. Provide an example.” (Solicitation NO 2017-TCS, page 7)

GBS adequately addressed this area.

Out of a possible 1.25 points in this category, GBS scored a .9. In the opinion of the OSA evaluation committee, GBS provides the best value to the State in this category.

10. Methods for collecting data (1.25 points possible)

“Describe the methods that will be used for the collection of comparison data for matching jobs with private and public employers.” (Solicitation NO 2017-TCS, page 7)

GBS will utilize publicized sources that meet specific criteria and will also administer a paper survey.

Out of a possible 1.25 points in this category, GBS scored a .9. In the opinion of the OSA evaluation committee, GBS provides the best value to the State in this category.

11. Experience valuating retiree medical benefits (1.25 points possible)

“Describe the offeror’s experience valuating medical benefits that an employer offers to retirees. Give an example of the offeror’s experience in this area.” (Solicitation NO 2017-TCS, page 7)

GBS did not specifically address this area in much detail, and, given that this area is probably the most complex part of the study, we would have appreciated more.

Out of a possible 1.25 points in this category, GBS scored a .4. In the opinion of the OSA evaluation committee, GBS provides the best value to the State in this category.

12. References (10 points possible)

“The offeror must provide two references from clients. References that are owned by the offeror are not eligible for this requirement.” (Solicitation NO 2017-TCS, page 6)

GBS provided a list of 12 references representing various former state and local public entity clients across the county, including one reference from Canyons School District here in Utah. However, some of the contact information was not current and others were difficult to reach for comment.

Out of a possible 10 points in this category, GBS scored an 8.5. In the opinion of the OSA evaluation committee, GBS provides the best value to the State in this category.

Cost

Cost, as required by Utah Code Section 63G-6a-707(6)(a), was calculated separately by an individual who did not serve on the evaluation committee. According to the cost formula outlined in the RFP, GBS received the highest score for cost.

Conclusion

Out of 100 total points, GBS scored an 82.1. Based on the justifications outlined above, it is the opinion of the OSA evaluation committee that the GBS proposal earn the contract award.

Additionally, the GBS meets all of the following criteria outlined in Utah Administrative Code R33-7-702(1)(a), which governs proposal evaluation where only one proposal is received:

- (i) the GBS proposal meets the minimum requirements outlined in Solicitation NO 2017-TCS;**
- (ii) GBS’ pricing and terms are reasonable as set forth in R33-12-603 and R33-12-604; and**
- (iii) the GBS proposal is in the best interest of the procurement unit.**