



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

May 23, 2023

Request for Proposals# 2023-027

Classification and Compensation Study

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SECTION I – SUMMARY

In carrying out its mission to improve air quality in the San Francisco Bay Area, the Bay Area Air Quality Management District (“Air District”) seeks proposals from qualified consulting firms to develop a compensation philosophy, a comprehensive classification and compensation plan, a comprehensive set of position descriptions, and a final compensation study including compensation surveys. The proposing firm (“Bidder”) may submit a proposal on any or all sections of work described within the scope of this Request for Proposal (“RFP”). The selected firm(s) will be expected to address all Air District classifications and positions, provide a market analysis of the total compensation, and make recommendations for improvements to ensure the Air District remains fair, equitable and competitive. The effort described under this RFP is anticipated to require twelve (12) to eighteen (18) months to complete.

To respond to this RFP, an interested firm should submit one (1) electronic copy (in Adobe Acrobat PDF file format) of its proposal to the Air District’s Procurement Portal (“Portal”):

Michael Chao, Staff Specialist
Bay Area Air Quality Management District
375 Beale Street, Suite 600; San Francisco, CA 94105
Portal link: <https://baaqmd.bonfirehub.com>

**Proposals must be received by 4:00 p.m. pacific daylight time (PDT) on Friday, June 23, 2023 (“deadline”).
Late proposals will not be considered.**

Proposals must address all information requested in this RFP. Any bidder not submitting a bid for the entire scope must indicate which items will not be included in the proposal. A proposal may add information not requested in this RFP, but the information should be in addition to, not instead of, the requested information and format. Minority business enterprises, women's business enterprises, veteran's business enterprises, local businesses, and certified green businesses are encouraged to submit proposals. **Any questions regarding this RFP should be submitted through the Portal.**

SECTION II – BACKGROUND

A. Air District Overview

The Air District is the government agency responsible for protecting air quality in the San Francisco Bay Area. The Air District is tasked with regulating stationary sources of air pollution in the nine counties that surround the San Francisco bay: Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, southwestern Solano, and southern Sonoma counties. It is governed by a 24-member Board of Directors composed of locally-elected officials from each of the nine counties. The Air District's mission is to create a healthy breathing environment for every Bay Area resident, while protecting and improving public health, air quality and the global climate.

The Air District aims to achieve its mission through many strategic goals, including reducing and eliminating health problems caused by air pollution, achieving, and maintaining air quality standards, leading the Bay Area's efforts to fight global climate change, creating high-quality regulatory programs, and applying environmental best practices in all operations. To do so, the Air District regulates air pollution emissions from stationary emission sources such as factories, refineries, and power plants, and from smaller facilities like gas stations and dry cleaners. The Air District ensures that such facilities comply with air pollution laws and regulations, provides incentives to replace older, higher-emitting vehicles and equipment with cleaner alternatives, and gives grants and provides outreach to encourage healthy clean air choices by businesses and consumers. The Air District implements these efforts with an equity focus, aiming to reduce air quality disparities and promote environmental justice by targeting air pollution in overburdened communities.

B. Description of the work under this RFP

The Air District seeks human resources consulting services with expertise and experience in the public sector. The consultant is expected to develop an understanding of the general business environment and procedures of the Air District, as well as the future trends in comparable organizations or industries. The Bidder will provide a projected timeline of the deliverables required under this RFP, and approaches to successfully providing these services on time. The Bidder may submit a proposal on any or all sections of work described within the scope of this RFP. The effort described under this RFP is anticipated to require twelve to eighteen months to complete.

The Air District workforce consists of approximately 465 authorized, full-time benefitted employees across 23 divisions in approximately 100 job classifications. The Air District seeks a classification and compensation study to:

- Ensure the Air District's ability to provide quality essential services through

- attracting, motivating, and retaining a highly qualified and talented workforce.
- Align salaries to the work performed, and in doing so promoting fair and equitable pay practices, while remaining a competitive employer of choice.

The objectives of the work under this RFP:

- In coordination with the Air District's strategic planning effort, establish a formal Air District compensation philosophy as the guiding principle for compensation and classification planning.
- Conduct a thorough analysis of the Air District's current classification and compensation practices and classification specifications and develop new or amended classifications consistent with best practices.
- Develop all new position descriptions for each classification specification that are consistent with the current work being performed and new planned work required under the Air District's strategic planning effort.
- Conduct compensation study including compensation surveys developed through market research that benchmark the Air District's pay rates against comparators guided by the compensation philosophy developed under this RFP.

SECTION III – SCOPE OF WORK

The scope of services described herein is the minimum necessary to meet the Air District's objectives. The Bidder must be able to provide personnel who are competent and capable of performing the necessary tasks generally associated with the job classification types. The Bidder is expected to expand on the scope by incorporating their expertise and proposed method of approach.

The scope of work will include, but is not limited to:

A. Communication

- Meet with Air District to review, discuss and finalize needs assessment and project goals, process, schedule, and other administrative duties.
- Assist in the development of an employee communications plan to explain the process and implementation of recommendations. In coordination with the Air District, hold information and briefing sessions with Air District staff as needed.
- Work closely with and provide regular written status updates to Air District's Human Resources staff.

B. Compensation Philosophy

- In coordination with the Air District's strategic planning effort, establish a formal Air District compensation philosophy statement that provides a clear explanation of the agency's approach to compensation and how it aligns with the agency's mission and values, focusing on market, market plus or market minus.
- Identify the appropriate labor market. In coordination with the Air District's strategic planning efforts, identify the labor market including geographic regions and representative employers where the Air District must be competitive in recruiting employees.
- Provide compensation package component analysis identifying the components of compensation (e.g. Salary, benefits) that should be offered at

market plus, market rate or market minus based on the identified labor markets, and the compensation philosophy statement.

C. Classification Plan

- Review existing classification specifications and propose recommendations for amendments, additions, or deletions to existing classification plan.
- Conduct surveys and/or interviews with employees in single classification classifications, a representative sample of employees in multiple classifications, and appropriate management personnel to validate the information.
- Provide analysis of existing internal hierarchy and internal career ladders where appropriate and assist with efforts to more fully develop and clearly outline job progression opportunities and provide recognizable compensation growth.
- Evaluate classification specifications of exempt and nonexempt to ensure compliance with the Fair Labor Standards Act (“FLSA”).
- Create or revise the classification structure with recommendations for assignment for all positions within this structure commensurate with level of complexity, responsibility, knowledge, skills, and abilities, and/or other compensable factors. Provide knowledge, skills, and abilities and/or other compensable factors. Provide implementation plan for future internal administration.
- Develop or revise class specifications that are written in compliance with and consideration of The Americans with Disabilities Act (“ADA”) and all other relevant state and federal laws and guidelines. Bidder’s may be asked to revise existing classification specifications or develop new classification specifications, dependent upon results of study and allocate each studied position to its appropriate classification.

D. Position Descriptions

- Conduct surveys and/or interviews with employees in single classifications, a representative sample of employees in multiple classifications, and appropriate management personnel to identify distinct positions within each classification.
- Analyze each proposed classification to determine the positions that would exist within each classification and develop position descriptions for each position.
- Include in each position description, the duties, responsibilities, and requirements of the position; Include information about the positions purpose, the skills and experience required for the position, the essential functions of the position, and any detailed physical or environmental requirements. All requirements, skills and duties should be outlined at a higher level in the classification specification over the position. Include the recommended onsite or hybrid options for each position and include a recommended working title for each position.

E. Compensation Study and Compensation Surveys

- Review the effectiveness of the Air District’s compensation practices as it pertains to current classifications and propose an effective compensation plan consistent with the proposed future classification plan.
- Conduct a comprehensive analysis of current compensation practices,

recommend improvement, and suggest plans to address issues including, but not limited to, competitive benchmarking with target comparison markets, internal equity assessment, competitive salary analysis, index or standards for general salary increases, longevity pay, pay for performance, pay compression, retention, hard-to fill positions, and planning for future market-based adjustments.

- Conduct total compensation surveys that establish competitive salary levels and benefit levels for benchmark classifications that provide a rigorous compensation comparison with the identified target markets consistent with the established compensation philosophy.
- Based on the compensation surveys, recommend compensation levels, range spread, and range placement for classifications based on market survey and compensation philosophy.
- Recommend pay progression methods to include sound practices to prevent salary bypassing and mitigate pay compression. Bidder's implementation recommendations must address any pay equity issues discovered as part of this compensation analysis.
- Identify FLSA and United States Department of Labor ("DOL") compliance issues in work schedules, overtime pay, paid leave, holidays, and additional pay such as "On-Call", incentive pay and fringe benefits. Recommend best practices regarding FLSA compliant payroll calculations.
- Evaluate and recommend hiring rate policies for external hires and for internal promotions. Provide salary offer guidelines to facilitate increased fairness in determining hiring rates based on a candidate's qualifications.
- Bidder's written reports shall include discussion of methods, techniques, and data used to develop the classification and compensation plans. The written reports will include: the total compensation system, including pay, benefits, holiday, overtime/compensatory time recommendation, leave, etc. that compares the Air District and its relation to the market.
- Prepare an analysis of the financial impact for various implementation scenarios of the new classification and compensation plan and define funding issues.
- Provide instructional information and instructions to allow Air District's Human Resources to conduct individual salary audits and recommend adjustments consistent with study methods and overall pay plan recommendations.
- Bidder will present to the Air District's Board of Directors to explain the study, findings, final recommendations, and implementation plan.
- Bidder will train Air District's Human Resources and other key staff to implement proposed changes and maintain the pay and class system moving forward.

SECTION IV – INSTRUCTIONS TO BIDDERS

A. General

1. Interested firms must create an account through the Portal to view RFP documents and addenda, and to submit questions and proposal documents.
2. All proposals must be made in accordance with the conditions of this RFP.

Failure to address any of the requirements is grounds for rejection of the proposal.

3. All information should be complete, truthful, specific, and as concise as possible. **Any bidder not submitting a bid for the entire scope must indicate which items will not be included in the proposal.**
4. Proposals should include any additional information that the bidder deems pertinent to the understanding and evaluation of the proposal.
5. The Air District may modify the RFP or issue supplementary information or guidelines during the proposal preparation period prior to the deadline. Please check the [Portal](#) regularly for updates prior to the deadline.
6. All proposals shall constitute firm offers valid for ninety (90) days from the deadline. Once submitted, proposals may be withdrawn, modified and resubmitted through the Portal up until the deadline.
7. The Air District reserves the right to reject any and all proposals for any reasons, as allowed by law.
8. All questions must be in written form and submitted through the Portal no later than **4:00 p.m. PDT on Friday, June 9, 2023**. Bidders will not be able to submit questions after this time. All questions will be answered in writing and posted on the [Portal](#) by **6:00 p.m. PDT on Thursday, June 15, 2023**.
9. The cost for developing the proposal is the responsibility of the bidder, and shall not be chargeable to the Air District.

B. Submittal of Proposals

All proposals must be submitted according to the specifications set forth in Section V (A) – Contents of Proposal below, and this Section IV. Failure to adhere to these specifications may be grounds for the rejection of the proposal.

1. Deadline – All proposals are due no later than **4:00 p.m. PDT on Friday, June 23, 2023**, and must be submitted via the Portal to:

Michael Chao, Staff Specialist
Bay Area Air Quality Management District
375 Beale Street, Suite 600; San Francisco, CA 94105
Portal link: <https://baaqmd.bonfirehub.com>

2. Uploading large documents may take significant time, depending on the size of the file(s) and internet connection speed. Bidders should plan sufficient time before the deadline to finalize their submissions and complete the uploading process. Bidders will not be able to submit documents after the deadline. Proposals received after the deadline will not be considered.
3. Signature – All proposals must be signed by an authorized representative of the Bidder.

4. Submittal – Submit one (1) electronic copy (in Adobe Acrobat PDF file format) to the Portal. Electronic submissions submitted via the Portal will be acknowledged with a confirmation email receipt. Late proposals will not be accepted. Any correction or re-submission of proposals will not extend the submittal deadline and must be submitted before the deadline or they will not be considered.
5. Grounds for Rejection – A proposal may be rejected at any time if it arrives after the deadline, does not include any required information, is not in the prescribed format, or is not signed by an individual authorized to represent the firm.
6. Disposition of the Proposals – All responses to this RFP become property of the Air District and will be kept confidential until a recommendation for award of a contract has been announced, as allowed by law. Thereafter, submittals are subject to public inspection and disclosure under the California Public Records Act. If a respondent believes that any portion of its submittal is exempt from public disclosure, it may mark that portion “confidential.” The Air District will use reasonable means to ensure that such confidential information is safeguarded, but will not be held liable for the inadvertent disclosure of the information, or disclosure required by law. Proposals marked “confidential” in their entirety will not be honored, and the Air District will not deny public disclosure of any portion of submittals so marked.

By submitting a proposal with portions marked “confidential,” a respondent represents that it has a good faith belief that such portions are exempt from disclosure under the California Public Records Act (Gov. Code, §§ 7920.000 et seq.), and agrees to reimburse the Air District for, and to indemnify, defend, and hold harmless the Air District, its officers, employees, and agents, from and against any and all claims, damages, losses, liabilities, suits, judgments, fines, penalties, costs, and expenses, including without limitation, attorneys’ fees, expenses, and court costs of any nature whatsoever, arising from or relating to the District’s non-disclosure of any such designated portions of a proposal.

7. Modification – Once submitted, proposals, including the composition of the contracting team, may be altered up until the deadline. Proposals may not be modified after the deadline.

C. Interviews

1. The Air District, at its option, may interview bidders. The interviews will be for the purpose of clarifying the proposals.
2. Submittal of new proposal material at an interview will not be permitted.
3. Interviews may involve a presentation and/or a question-and-answer session.
4. Bidder’s interview teams should be representative of the Bidder’s project team.

SECTION V – PROPOSAL FORMAT, CONTENT, AND SUBMITTAL

A. Contents of Proposal

Submitted proposals should follow the format outlined below and include all requested information. Failure to submit proposals in the required format may result in the proposal being eliminated from consideration.

1. Technical Proposal

- a. Cover Letter (Section I) – Include the business name, address, and telephone number of the firm. The cover letter must be signed by the person(s) authorized to represent the firm.
- b. Business Contact Information – Provide the following information about the firm:
 - Business address and telephone number of the office nearest to San Francisco, California, and the business address and phone number of the office that each of the proposed staff members are based out of if different from the office nearest to San Francisco, California.
 - Name of firm’s representative designated as the contact and the contact’s business email address.
 - Name of project manager, if different from the individual designated as the contact, and the project manager’s business email address.
- c. Table of Contents – Clearly identify material contained in the proposal by section.
- d. Summary (Section II) – State overall approach to the Classification and Compensation Study, including the objectives and scope of work.
- e. Experience and Qualifications (Section III) – Provide a statement of your firm’s background and related experience in providing similar services to governmental organizations, if any. Describe the technical capabilities of the firm and, in particular, the firm’s experience working with environmental regulations, if any.
- f. References (Section IV) - Provide a minimum of three (3) references from other, similar projects including company name or government entity, contact name, title, and business phone number and e-mail address for all references listed. For each reference, include a description of services provided and dates the services were provided to that particular entity.
- g. Project Approach and Methodology (Section V) – Provide a detailed description of the approach and methodology to be used to accomplish the scope of work.
- h. Project Schedule (Section VI) – Provide projected milestones or benchmarks for completing the project within the total time allowed.

- i. Project Organization (Section VII) – Describe the proposed management structure, program monitoring procedures, and organization of the proposed team. Provide a statement addressing your firm’s ability and willingness to commit and maintain staffing to successfully conclude the project on the proposed project schedule.
- j. Assigned Personnel (Section VIII) – Provide the following information about the staff to be assigned to the project:
 - List all key personnel assigned to the project by level and name. Provide a description of their background, along with a summary of their experience providing similar services for governmental agencies, and any relevant specialized expertise they may have. Background descriptions can be a resume, curriculum vitae, or summary sheet. Substitution of project manager or staff will not be permitted after the deadline without prior written approval of the Air District’s assigned program manager.
 - Provide a statement of the availability of staff in any local office, and their requisite qualifications and experience to conduct the requested project.
 - Provide a statement of education and training programs provided to, or required of, the staff identified for participation in the project. Make particular mention of their experience dealing with governmental agencies, procedures, and environmental regulations.
- k. Retention of Working Papers (Section IX) – All working papers are the property of the Air District. Include a statement acknowledging that if your firm is awarded the contract, you will retain project related papers and related reports for a minimum of five (5) years from the end of the project.
- l. Subcontractors (Section X) – List any subcontractors that will be used, the work to be performed by them, and the total number of hours or percentage of time they will spend on the contract.
- m. Conflict of Interest (Section XI) – Address possible conflicts of interest with other clients affected by the contractors’ actions performed by the firm on behalf of the Air District, and the procedures for identifying and resolving conflicts of interest to be used during work for the Air District. The Air District recognizes that prospective bidders may have contracts to perform similar services for other clients. Include a complete list of such clients for the past three (3) years, with a description of the type of work performed and the total number of years performing such tasks for each client. The Air District reserves the right to consider the nature and extent of such work in evaluating the proposal.
- n. Additional Data (Section XII) – Provide other essential data that may assist in the evaluation of the proposal.

- o. Self-Certification for Local Business or Green Business (XIII) - If applicable, include a statement self-certifying that your firm qualifies as a local business and/or certified green business. “Local business” means that a firm’s headquarters is located within the nine counties of the Air District’s jurisdiction. A green business must be certified by a government agency or independent private rating organization.
- 2. Cost Proposal
 - a. List the fully-burdened hourly rates and the total number of hours estimated for each level of professional and administrative staff to be used to perform the tasks required by this RFP. In addition, costs should be estimated for each of the components of the Scope of Work.
 - b. Include a list of anticipated reimbursable expenses, such as expenses for travel, presentation materials, supplies, deliveries, black/white and color printouts and copies, faxes, photo scans, and copywriting and copyediting services and the rate charged for each.
 - c. Any other fees or charges.

SECTION VI – PROPOSAL EVALUATION

A panel of Air District staff will evaluate all proposals. The panel will recommend the selection of the contractor to the Air Pollution Control Officer (APCO), who will, in turn, make a recommendation to the Air District’s Board of Directors. The Air District’s Board of Directors may be required to approve the contract to carry out the work described in this RFP. A link to a typical contract for professional services used by the Air District is included in Section VII.

Proposals will be evaluated using the following criteria:

Criteria	Description	Points
Expertise	Technical expertise, size and structure of the firm and personnel assigned to RFP tasks; firm’s ability to perform and complete the work in a professional and timely manner.*	20
Skill	Past experience of the firm and, in particular, experience of the team working on projects of similar scope for other governmental agencies.	30
Approach	Responsiveness of the proposal, based upon a clear understanding of the work to be performed.	20
Cost	Cost or cost effectiveness and resource allocation strategy.	15

Criteria	Description	Points
References	Quality and applicability of references.	10
Firm's Specialty Focus Area**	Local business.	3
	Certified green business.	2
Total		100

- * "Size and structure of firm" refers to the ability of a firm's size to meet the needs of the District. It does not give absolute preference to larger or smaller firms.
- ** The Air District gives preferences to local businesses and those that are certified as green businesses by a government agency or independent private rating organization. "Local business" means that a firm's headquarters is located within the nine counties of the Air District's jurisdiction. Bidder must include a statement in their proposal self-certifying that the bidder qualifies as a local business and/or certified green business to receive points for this criteria.

If two or more proposals receive the same number of points, the Air District will accept the lower cost offer.

SECTION VII – RFP SCHEDULE

MILESTONE	DATE
RFP RELEASE DATE	5/23/2023
WRITTEN QUESTIONS DUE	6/09/2023
ANSWERS POSTED ON PORTAL BY	6/15/2023
PROPOSAL DEADLINE	6/23/2023
SELECTION OF FINALIST(S)*	6/30/2023
COMMENCEMENT OF CONTRACT*	7/24/2023

*Dates are tentative and subject to change.

SECTION VIII – SAMPLE CONTRACT

A sample contract to carry out the work described in this RFP is available on the Air District's website at <http://www.baaqmd.gov/about-the-air-district/request-for-proposals-rfp-rfq/samples-previous>. (Click the + to the left of Sample Contracts, and then click on the Professional Services Contract link.)