

SOLICITATION

FEDERAL DEPOSIT INSURANCE CORPORATION

Solicitation Number: 89002900CD

Date Issued: February 2, 1989

SUBMISSION OF OFFERS

PROPOSALS ARE DUE IN THE OFFICE DESIGNATED BELOW BY
5:15 P.M. EASTERN STANDARD TIME ON MONDAY FEBRUARY 27, 1989

Proposals may be mailed
to this address:

Federal Deposit Insurance Corporation
Contracts and Acquisitions Unit, Room F-104
550 17th Street, N.W.
Washington, D.C. 20429
Attn: Campbell DeMallie, Jr.

Proposals may be hand
carried to this address:

Federal Deposit Insurance Corporation
Contracts and Acquisitions Unit, Room F-104
1776 F Street, N.W.
Washington, D.C. 20006
Attn: Campbell DeMallie, Jr.

For information call Campbell DeMallie, Jr. on (202) 898-3664 (No collect calls)

See Article I, Statement of Work, in the Contract Special Provisions for a description of the goods and services to be provided under any contract resulting from this solicitation.

OFFER

The firm named below offers and agrees to furnish any or all items upon which prices are offered, at the price offered herein or in papers attached hereto, delivered at the designated points, within the time or times specified herein or in papers attached hereto. Prices are subject to the following prompt payment discount:

None _____ % _____ calendar days (check one box)

Name of Offeror Firm: _____

Address: _____ Signature: _____

Name of Signer: _____

Title of Signer: _____

Telephone Number: () _____ FAX Number (if any): () _____

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Part I - Solicitation Instructions and Conditions

1. It is anticipated that this solicitation will result in a Firm Fixed Price contract with a period of performance of about four (4) months. The anticipated period of performance of Phase I is two (2) months.
2. Any proposal submitted under this solicitation must be signed with an original signature by an official authorized to submit offers and contractually bind the organization submitting the proposal.
3. The proposal shall stipulate that it is predicated upon all the terms and conditions of this Request for Proposals and shall acknowledge any amendments thereto.
4. Envelopes containing responses to this Request for Proposals should be marked with the Solicitation Number - 89002900CD. Also, please reference the solicitation number in your cover letter.
5. Each offeror shall furnish the information required on various pages of this solicitation. The offeror shall print or type his name on any sheets on which he enters any information or makes any changes.
6. Addresses for submission of proposals:
 - (a) Proposals may be mailed to the following address:

Federal Deposit Insurance Corporation
Contracts and Acquisitions Unit, Suite F-100
550 17th Street, N.W.
Washington, D.C. 20429
Attn: Campbell DeMallie, Jr.
 - (b) Proposals may be hand carried to the following address:

Federal Deposit Insurance Corporation
Contracts and Acquisitions Unit, Suite F-100
1776 F Street, N.W.
Washington, D.C. 20006
Attn: Campbell DeMallie, Jr.
7. Proposals received after the due date and time on page 1 may be rejected for that reason.
8. Modifications of otherwise acceptable proposals submitted after the RFP due date may be considered by the FDIC at any time prior to award. Modifications must be in writing and signed by an official empowered to bind the offeror.
9. Because of the time required by the FDIC to adequately evaluate proposals, offerors are requested to specify a proposal acceptance period of not less than sixty (60) days.

CONTINUATION SHEET

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10. Prior to proposal submission offerors shall examine the Contract Social Provisions and note all conditions and limitations which may influence execution or completion of the work required. Any discrepancies noted should be identified in writing to the FDIC Contracting Officer for resolution prior to submission of proposals. Any substantive information given to a prospective offeror will be furnished to all prospective offerors as an amendment to the solicitation.
11. If the FDIC, at any time prior to the due date for receipt of proposals, amends or changes any part of the RFP, then the issuing office will transmit an appropriate notification to all prospective offerors, and each offeror shall acknowledge in writing the receipt of any such amendment unless otherwise provided for in the particular amendment.
12. Award of Contract
- (a) The contract will be awarded to the responsible offeror whose offer conforming to this solicitation will be most advantageous to the FDIC, price and other factors considered.
 - (b) The FDIC reserves the right to reject any or all offers and to waive informalities and minor irregularities in offers received.
 - (c) A written award or acceptance of offer mailed or otherwise furnished to the successful offeror within the time for acceptance specified in the offer shall be deemed to result in a binding contract without further action by either party.
 - (d) The FDIC may accept, within the time specified therein, any offer, whether or not there are negotiations subsequent to its receipt, unless the offer is withdrawn by written notice received by the FDIC prior to award. If subsequent negotiations are conducted, they shall not constitute a rejection or counteroffer on the part of the FDIC.
 - (e) The FDIC reserves the right to accept other than the lowest offer and to reject any or all offers.
 - (f) The FDIC may award a contract, based on initial offers received, without discussion of such offers. Accordingly, initial offers should be submitted on the most favorable terms that the offeror can submit to the FDIC.

Part II - Evaluation Criteria

A. General

The technical portion of the proposal will be the most important single consideration in the award of the contract and should, therefore, be as complete and specific as possible. The evaluation will be based on the technical and administrative capabilities of the prospective contractors in relation to the needs of the FDIC.

B. Technical Evaluation Factors

Proposals submitted in response to this RFP shall be evaluated in accordance with the following factors with a maximum total score of 100 points:

- 1. Approach - Offerors should demonstrate an understanding of the work to be performed by providing a thorough description of their approach to the project.....40 points
- 2. Personnel - Experience and other qualifications of the people who will perform the project. Offerors should describe in detail what each person will contribute to the project and what experience each person has in the resolution of problems similar to those of the FDIC.....30 points
- 3. Experience - Technical competence of the firm, as evidenced by the recommendations of references and other sources of information, of successful performance on similar work with respect to such factors as control of costs, quality of work and ability to meet schedules.....30 points

C. Price Evaluation

Price will be a significant factor along with the technical evaluation of an offeror's proposal and will not be disregarded in the negotiation and award of a contract under this solicitation. A separate price analysis will be performed on each pricing proposal received. The contract will be awarded to the responsible offeror whose proposal conforming to the solicitation will be the most advantageous to the FDIC, price and other factors considered.

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Part III - CONTRACT SPECIAL PROVISIONSArticle I - Statement of Work

I. BACKGROUND

The Federal Deposit Insurance Corporation (FDIC) was created by the Banking Act of 1933 to protect depositors in the nation's banks, to help maintain confidence in the banking system, and to promote safe and sound banking practices. The FDIC implements these programs through a program of federal deposit insurance for about fourteen thousand (14,000) commercial banks and savings banks, and regulation and supervision, in cooperation with the states, of about eight thousand (8,000) state-chartered banks that are not members of the Federal Reserve System. The other six thousand (6,000) or so commercial banks are covered by FDIC deposit insurance but are regulated and supervised by the Board of Governors of the Federal Reserve System or by the Comptroller of the Currency.

The FDIC has about eight thousand (8,000) employees. Of this number about four thousand (4,000) are temporary liquidation employees. Many temporary liquidation employees are former employees of failed banks whom the FDIC has hired to assist in the liquidation their old employer and other failed banks. They work for the FDIC for an average of two (2) years. The number and location of liquidation offices varies. They are established to support bank liquidation or "bailout" activities and are discontinued when no longer needed. There is currently one consolidated office in Puerto Rico. The others are in the contiguous United States. About two thousand (2,000) FDIC employees are bank examiners. They are hired directly out of college and are trained by the FDIC. Most temporary liquidation employees and bank examiners work in small rural communities. Geographic pay differentials are currently addressed through local differences in the CPI. The other two thousand (2,000) FDIC employees have a wide variety of jobs. Most of these employees work in the FDIC's headquarters in Washington, D.C. or in one of the FDIC's regional offices. FDIC Regional Offices are located in Atlanta, Boston, Chicago, Dallas, Kansas City, Memphis, New York, and San Francisco.

The Federal Deposit Insurance Corporation (FDIC) has the legal authority to develop and use its own pay structure. From its founding in 1933 the FDIC has generally voluntarily subscribed to the U.S. Office of Personnel Management (U.S. OPM) regulations in the areas of pay and classification of positions. Although position descriptions and job evaluation criteria exist, many of the FDIC's jobs have functional responsibilities unique to the FDIC. As a result it has been difficult to measure comparable positions and salary structures against external points of reference.

The FDIC is subjected by law to the U.S. OPM regulations in the critical areas of hiring and promotion practices. The fact that the FDIC is subject to the U.S. OPM regulations has significant impact on how the FDIC's Personnel Office responds to management's needs in these areas.

The FDIC is interested in exploring the advantages and disadvantages of developing a compensation system that is more directly tied to prevailing local pay rates in areas of the country where the FDIC has an employment presence. The FDIC is thus interested in obtaining the services of a contractor with capability and experience in reviewing compensation systems.

(continued)

Article I - (Continued)

II. SCOPE AND STRUCTURE OF THE PROJECT

The Contractor shall review the present salary structure of the FDIC's seventy-five (75) occupations and develop a specific and practical salary program to ensure comparability with the competitive markets. The Contractor shall perform the study in two separately priced phases. The FDIC will evaluate the results of the first phase and decide whether or not to continue with the second phase. It is expected that the FDIC will decide whether or not to continue with the second phase within two (2) months after delivery of the Contractor's final report for Phase I. In accordance with Article X of this contract the FDIC has an option to order the Contractor to perform Phase II for six (6) months after delivery of the Contractor's final report for Phase I.

Both phases of the project entail the review of the present structure, selection of benchmark jobs to be used as a basis for comparison with jobs in the local and national markets, a salary survey of the market, analysis of the data, construction of a new salary structure, the grouping of jobs, and the process to maintain the structure. In addition, Phase II of the project requires the development of new salary administration procedures. This includes describing how salaries would be determined for new entrants, how movement would occur within and between grades or structures, rules for promotion, and how increased experience should be factored into salary determinations. The Contractor shall develop competitive marketplace data for a representative sample of benchmark positions using published data if available supplemented by a marketplace survey of selected positions. In particular, the Contractor shall identify available published survey sources; identify benchmark positions that can be matched with published survey data; develop comparisons between current pay rates and competitive marketplace pay rates for the selected benchmark positions; and estimate the cost associated with bringing current pay rates in line with the competitive marketplace. The Contractor should provide the FDIC with recommended principles and guidelines which can be used to initially set individual employee salaries using the new structure. Also the firm will identify merit pay programs that have been shown to be effective in environments such as the FDIC's. The Contractor should provide extensive communication support throughout the project as well as periodic written status reports and presentations to managerial and employee groups.

III. PHASE I

The Contractor shall explore the feasibility of developing a market-based pay system for the FDIC. To do this the Contractor shall develop the data needed for the FDIC to make an intelligent decision whether or not to proceed with the design and implementation of a market-based pay system. The end product of the Phase I shall be a report containing the Contractor's analysis and findings including a recommendation for whether or not to proceed with the development of a new compensation system. The report shall include a discussion of the important administrative issues that would need to be addressed in moving from the current pay system to a market-based system.

(continued)

Article I - (Continued)

These administrative issues include the following:

1. How is competitive pay data gathered and maintained over time?
2. To what extent would the compensation system be administered centrally versus locally?
3. What will be the basis for determining the amount of the budget available for pay increases in a given year?

IV. PHASE II

The contract will give the FDIC a firm (priced) option to direct the Contractor to perform Phase II which consists of the actual design of a new salary structure, development of policies and procedures for maintaining the pay system, a plan to integrate the existing internal evaluation system with the market-based external pay system, and development of the necessary communication materials, training and support in order to effectively implement the new compensation system.

Article II - Consideration

The FDIC will pay the Contractor the firm fixed price of \$ _____* for performance of Phase I in accordance with this contract. The FDIC has a firm option to acquire from the Contractor the goods and services described as Phase II of this contract for a firm fixed price of \$ _____*.

*To be included in the contract document.

Article III - Progress Reports

The Contractor shall provide progress reports, either verbal or in writing, at the frequency and discretion of the FDIC Project Manager.

Article IV - Billing Instructions

The invoice for the fee shall include (1) the contract number and (2) a short description of the work for which payment is sought. Invoices shall be submitted in original and two (2) copies to:

Federal Deposit Insurance Corporation
Financial Operations Unit/Accounts Payable Group
550 17th Street, N.W.
Washington, D.C. 20429

Article V - FDIC Contract Representatives

1. Project Manager - The "Project Manager" is the chief and only participant to whom the Contractor should look for technical guidance in presenting the work. He or she provides coordination between the Contractor and FDIC committees, division heads, the Chairman of the Board of Directors of FDIC and is responsible for all FDIC technical decisions and directives relating to the project on behalf of the FDIC.

_____ * _____ is hereby designated as the FDIC Project Manager.

2. Contracting Officer - The term "Contracting Officer" means the person executing this contract on behalf of the FDIC and any other FDIC employee appointed by the FDIC to succeed him as Contracting Officer of this contract. There will be only one Contracting Officer at a time but the Contracting Officer may appoint authorized representatives who have limited or temporary authority to represent the FDIC in his stead.

_____ * _____ is the Contracting Officer for this contract. His telephone number is (202) 898- _____ * _____.

*To be included in the contract document.

Article VI - Advertising and Publicity

Neither the Contractor nor its subcontractors, if any, shall issue or sponsor any advertising or publicity that says or implies, either directly or indirectly, that the FDIC endorses, recommends or prefers the Contractor's services. This does not, however, preclude the Contractor from using the FDIC as a confidential reference in seeking other business.

Article VII - Confidentiality of Information

- A. To the extent that work under this contract requires that the Contractor be given access to confidential financial information belonging to the FDIC, the Contractor shall, after receipt thereof, treat such information as confidential and agrees not to appropriate such information to its own use or to disclose such information to third parties unless specifically authorized to do so by the Contracting Officer in writing. The foregoing restrictions shall not apply to:

1. Information which, at the time of receipt by the Contractor, is in the public domain;
2. Information that is published after receipt thereof by the Contractor or that otherwise becomes part of the public domain not through any action by the Contractor;

(continued)

Article VII - (Continued)

3. Information that the Contractor can demonstrate was in its possession at the time of receipt thereof and was not acquired directly or indirectly from the FDIC or other entities related to the overall scope of this engagement; or
 4. Information that the Contractor can demonstrate was received by it from a third party who did not require the Contractor to hold it in confidence nor was bound by the FDIC to hold it in confidence.
- B. The Contractor agrees to hold all information obtained in performance of this contract in confidence, and to disclose it neither to anyone outside the FDIC nor to any Contractor employee not involved in performance of this contract. Furthermore, the Contractor agrees not to use any such confidential information for any purpose other than performance of this contract.
- C. Notwithstanding Paragraphs A and B of this Article VII, in the event that the Contractor is requested or required (by oral questions, interrogatories, requests for information or documents, subpoena, Civil Investigative Demand or other process) to disclose (i) any confidential information or (ii) any information relating to the Contractor's opinion, judgment or recommendations in connection with such transaction concerning the FDIC, its affiliates or subsidiaries as developed from confidential information, it is agreed that the Contractor will provide the FDIC with prompt notice of any such request or requirement so that the FDIC may seek an appropriate protective order or waive the Contractor's compliance with the provisions of this agreement. If, failing the entry of a protective order or the receipt of a waiver hereunder, Contractor is, in the opinion of the Contractor's counsel, compelled to disclose confidential information, Contractor may disclose that portion of the confidential information which the Contractor's counsel advises Contractor that Contractor is compelled to disclose. In any event, the Contractor will not oppose action by the FDIC to obtain an appropriate protective order or other reliable assurance that confidential treatment will be accorded the confidential information.

Article VIII - Conflicts of Interest

- A. The Contractor shall notify the Contracting Officer immediately whenever the work under this contract conflicts with or appears to conflict with the Contractor's obligation to another company or organization. This obligation shall continue for one (1) year after the required date for completion of work under this contract. The Contractor shall furnish sufficient details to permit evaluation of the situation. The Contractor shall not proceed with the performance of the work in question until written notification to do so is given by the Contracting Officer.

(continued)

Article VIII - (Continued)

- B. The Contractor agrees that if after award it discovers an organizational conflict of interest with respect to this contract, then it shall make an immediate and full disclosure in writing to the Contracting Officer which shall include a description of the action that the Contractor has taken or proposes to take to avoid or mitigate such conflict. The FDIC may, however, terminate this contract for convenience if it deems such termination to be in the best interest of the FDIC.
- C. If the Contractor was aware of an organizational conflict of interest prior to the award of this contract and did not disclose the conflict to the Contracting Officer, then the FDIC may terminate this contract for default.

Article IX - Inspection and Acceptance

Inspection and acceptance shall be accomplished by the Project Manager.

Article X - Option for Phase II

The FDIC has a hard (priced) option to obtain from the Contractor the goods and services described in the Statement of Work (Article I) as Phase II. The FDIC may exercise this option within six (6) months after delivery of the Contractor's final report for Phase I.

Article XI - FDIC General Provisions

Appendix B entitled FDIC General Provisions is hereby incorporated into and made a part of this contract.

Article XII - Order of Precedence

Any inconsistency in this contract, unless otherwise provided herein, shall be resolved by giving precedence in the following order: (1) Special Provisions; (2) Statement of Work; (3) Terms and Conditions of the Solicitation, if any; (4) FDIC General Provisions; and (5) Other provisions of the contract, when attached or incorporated by reference.