REQUEST FOR PROPOSALS:

CEO COMPENSATION AND EVALUATION SERVICES

Issue Date: April 30, 2014
Due Date: June 6, 2014

In order to be considered, proposals must be signed and returned via email to rwhitmore@wested.org and send (5) five physical copies delivered to 730 Harrison Street, San Francisco, CA 94107 by 5 p.m. PST on June 6, 2014.

Proposal responses will be considered valid for a period of 120 calendar days after the proposal due date.

For additional information, please contact Richard Whitmore at 415.615.3102 or email: rwhitmore@wested.org
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I. SOLICITATION FORM

FAILURE TO SIGN THIS PAGE WILL DISQUALIFY YOUR RESPONSE
The undersigned offers and agrees to furnish the services described in this document at the prices and terms stated, subject to all of the terms and conditions of this Request for Proposal and the Agreement executed between the Parties upon Award. The undersigned warrants and represents their authority to bind the proposer into an agreement subject to the terms and conditions of this Request for Proposal and the Agreement executed between the Parties upon Award.

Company Name:

Street Address:

City, State Zip:

Email:

Telephone:

By (Authorized Signature)  Date Signed:

Print name and title of Authorized Signatory

ALL SPECIFICATIONS, TERMS, AND CONDITIONS OF THIS PROPOSAL WILL BE INCORPORATED INTO ANY RESULTING AGREEMENT.
II. SOLICITATION KEY DATES AND TIMELINE (Dates are subject to change at any time in WestEd’s sole discretion)

<table>
<thead>
<tr>
<th>RFP Activity</th>
<th>Dates</th>
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<tbody>
<tr>
<td>RFP Released</td>
<td>April 30, 2014</td>
</tr>
<tr>
<td>Questions Due by bidders</td>
<td>May 9, 2014</td>
</tr>
<tr>
<td>Response to questions posted</td>
<td>May 16, 2014</td>
</tr>
<tr>
<td>Proposal Due Date</td>
<td>June 6, 2014</td>
</tr>
<tr>
<td>Interviews</td>
<td>Week of July 14, 2014</td>
</tr>
<tr>
<td>Award Notice</td>
<td>July 21, 2014</td>
</tr>
<tr>
<td>Meeting with CAO to commence work</td>
<td>TBD</td>
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<tr>
<td>Proposed evaluation process to WestEd Board</td>
<td>October 3, 2014</td>
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<tr>
<td>WestEd Board Meeting</td>
<td>October 23/24, 2014</td>
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<tr>
<td>Compensation and evaluation memoranda to WestEd Board</td>
<td>December 23, 2014</td>
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<tr>
<td>WestEd Board Meeting</td>
<td>January 15/16, 2015</td>
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III. INTRODUCTION

WestEd is soliciting proposals from qualified consulting firms to provide services to support its Board of Directors in its annual compensation review and evaluation of the Chief Executive Officer.

This request for proposal contains background information on WestEd and specific information that must be included in the proposals submitted. An electronic version and five paper versions of the proposals must be received no later than 5:00 PM Pacific time on Friday, June 6, 2014 (“due date”). Electronic copies must be delivered via email to rwhitmore@wested.org. Physical copies must be delivered directly to our office at the following address:

WestEd
730 Harrison Street, Suite 500
San Francisco, CA  94107
Attn: Richard Whitmore

IV. BACKGROUND

WestEd is a not-for-profit research, development, and service agency that works with education and other communities to promote excellence, achieve equity, and improve learning for children, youth, and adults. WestEd has over 640 employees, located in 16 offices across the United States, and for the last several years has had annual revenues in excess of $120 million.

WestEd is a Joint Powers Agency (“JPA”) formed under the California Joint Exercise of Powers Act, California Government Code section 6500 et seq. and governed by public entities in Arizona, California, Nevada, and Utah. WestEd’s Board of Directors is comprised of members representing agencies from these states, as well as other national education and business leaders. WestEd’s income is tax exempt under Section 115 (1) of the Internal Revenue Code.

WestEd complies with the required federal regulations on procurement, as well as applicable State procurement law and procedures. Efforts, including affirmative steps prescribed by federal regulation (if applicable), will be made by WestEd to utilize small and minority-owned businesses, women’s business enterprises and labor surplus area firms when possible. A firm qualifies as a small business firm if it meets the definition of “small business” as established by the Small Business Administration (13 CFR 121.201) by having average annual receipts for the last three fiscal years not exceeding eight million five hundred thousand dollars.
WestEd’s compensation system is based on a modified Hay Group approach with salary ranges established and each employee placed within the range initially based on experience and qualifications, and thereafter by performance with occasional adjustments when necessary to stay within the range or for equity purposes, either internal or external to the organization. The CEO’s salary is treated as a separate range by itself. The CEO has an employment contract with the board for the duration of three years. The incentive compensation awarded to the CEO is limited by the contractual agreement between the Board and the CEO and provides for up to 30 percent of the annual salary to be awarded at the Board's discretion.

V. NOTICE TO OFFEROR(S)

All materials provided to WestEd become the property of WestEd and may be returned only at its sole discretion. WestEd is a public entity. All proposals and any materials submitted with a proposal may be deemed public records subject to disclosure pursuant to the California Public Records Act. No portion of any proposal or materials submitted therewith will be withheld from disclosure as proprietary, trade secret or confidential unless that portion is clearly marked by the proposer as such, and the proposer agrees to indemnify WestEd against any claim or action to compel disclosure of such portion of the proposal. WestEd is not obligated to accept any proposal or to negotiate with any entity. All transactions are subject to the final approval of WestEd, which reserves the right to reject any and all proposals without liability. All costs directly or indirectly related to a response to this RFP will be borne by the proposer.

The contract, if any, shall be awarded to the responsive proposer whose proposal is most advantageous to WestEd, based on the evaluation criteria set forth in this RFP. WestEd may at its sole discretion select the response that best fits its needs, may choose to cancel the RFP, or to not select any offeror. A selection committee will evaluate the responses based on established criteria including compliance with the direction herein, experience and qualifications, cost, financial position of the company, and other factors as stated in this RFP. If selected, the successful firm will enter into a written agreement with WestEd that will include service agreements and compensation agreements.

All information in this RFP should, for purposes of this RFP, be considered proprietary and confidential. Information contained in this RFP should not be shared or distributed without the expressed written consent of WestEd.
VI. REJECTION OF PROPOSAL(S)

WestEd reserves the right in its sole discretion to reject any or all proposals, in whole or in part, without incurring any cost or liability whatsoever. All proposals will be reviewed for completeness of the submission requirements. The proposal may be rejected if it fails to meet a material requirement of the RFP, or if it is incomplete or contains irregularities. A deviation is material to the extent that a proposal is not in substantial accord with RFP requirements.

Immaterial deviations may cause a bid to be rejected. WestEd may or may not waive an immaterial deviation or defect in a proposal. WestEd’s waiver of an immaterial deviation or defect will in no way modify the RFP or excuse a bidder from full compliance with the RFP requirements.

Any proposal may be rejected where it is determined to be not competitive, or where the cost is not reasonable.

Any proposal may be rejected where there is a conflict of interest or the appearance of a conflict of interest that WestEd, in its sole discretion, determines cannot be mitigated or may cause harm to WestEd.

Proposals that contain false or misleading statements may be rejected if in WestEd’s opinion the information was intended to mislead WestEd regarding a requirement of the RFP.

WestEd may reject a proposal from a proposer it finds nonresponsive. Any person or entity that has substantially assisted WestEd in preparing any part of this RFP is prohibited from submitting a proposal. Submission of a proposal to WestEd shall constitute the proposer’s certification that the proposal is not collusive.

VII. COMPLIANCE WITH LAWS

Any offeror must affirmatively agree and certify that it will comply with all applicable federal, state, and local laws and regulations, including but not limited to the provisions of the Fair Employment and Housing Act (Govt. Code, § 12900 et seq.) and any applicable regulations promulgated there under (Cal. Code of Regs., tit. 2, § 72850.0 et seq.). Any offeror must affirmatively agree to include the non-discrimination and compliance provisions of this clause in any and all subcontracts to perform work under the agreement.
VIII. WRITTEN QUESTIONS AND ADDENDA

Written questions or comments regarding this RFP must be in writing and received no later than 5 p.m. on Friday, May 9, 2014. Questions should be emailed to Richard Whitmore (rwhitmore@wested.org). All questions will be responded to in writing. Offeror(s) invited to submit understand and agree that they have an affirmative duty to inquire and seek clarification regarding anything in this RFP that is unclear or open to more than one interpretation.

WestEd, at its sole discretion, may make questions submitted by offerors and responses to the submitted questions available to all offerors.

WestEd reserves the right in its sole discretion to revise or amend this RFP prior to the stated submittal deadline. Any such revisions will be made by written addenda to this RFP. Proposers are responsible for verifying they have received, and all proposals shall acknowledge receipt of, all addenda issued by WestEd relating to this RFP. Failure to acknowledge receipt of all such addenda may render a proposal nonresponsive.

IX. SUBMISSION

Electronic and physical copies of responses must be received by 5:00PM Pacific time on the due date. Any response received after this date and time may be returned or not considered. Responses should be submitted electronically to Richard Whitmore at rwhitmore@wested.org. Additionally, five (5) copies with a postmark no later than the due date should be sent to Richard Whitmore at 730 Harrison Street, Suite 500, San Francisco, CA 94107. Submission of a proposal shall constitute the proposer’s representation that it:

Has thoroughly examined and become familiar with the scope of work set forth in this RFP;

Understands the requirements of the scope of work, the nature of the work and all other matters that may affect the work;

Will honor its proposal for no less than 120 days after the submission date stated in this RFP (or until execution of a final contract with the selected proposer, if sooner), and acknowledges that its proposal cannot be withdrawn within that time without the written consent of WestEd; and will comply with all requirements set forth in this RFP, and in the ensuing contract, if any.
X. PROTESTS

Following the selection of the apparent successful proposer, WestEd shall notify all proposers of its intent to award a contract to such proposer. Any protest to the award of the contract to the apparent successful proposer shall be submitted to WestEd in writing within no less than five (5) calendar days from the date of such notice. Any protest shall state with specificity the ground on which the protestor alleges the contract may not be awarded to the apparent successful proposer. WestEd shall consider any properly submitted protest and may accept or reject such protest as it determines appropriate in its sole discretion.

XI. WESTED CONTACT

All communications, including any requests for clarification, concerning this RFP should be addressed in writing to the following:

Richard Whitmore
Chief Administrative Officer
rwhitmore@wested.org

XII. SCOPE OF WORK

WestEd will receive proposals for an annual CEO Compensation Review and Evaluation. The successful bidder may be retained for up to three years as a result of this procurement process. The Board is seeking a Compensation Review and support from the consultant for the design and implementation of an Evaluation Process.

The Compensation Review will consist of a report to the WestEd Board of Directors that will provide a marketplace analysis of current and proposed compensation, with a recommended range of salary placement for 2015. The Compensation Review will take into consideration and report upon national markets, the local market, comparable positions, and other information that the firm deems relevant to compensation. The format of the report is at the discretion of the selected firm.

The Evaluation Process work will take place collaboratively with the Board, including full input from the Board and work with the Board’s Officers, Executive Committee and/or other Board committee(s). The firm and its consultant(s) will make recommendations to a committee of the Board between the July and
October meetings, and will provide its analysis of best practices in evaluation for a CEO position. The firm and its consultant(s) will provide the Board with all necessary support to gather input from the Board on CEO performance, to analyze and report to the Board's Officers and/or Executive Committee on the input, and to provide any tools or surveys required to gather such input.

Upon delivery of the Award Notice to the selected firm, that firm will be required to execute a contract that will incorporate the enclosed scope of work and may incorporate some or all of the current RFP. The selected firm will have 10 business days to negotiate final contract or WestEd, in its sole discretion, may rescind the award and may award to a different firm. WestEd will require the firm to meet with the CEO and Chief Administrative Officer to initiate the work after the award by WestEd. The first year work will begin upon execution of the contract. WestEd anticipates a one-year contract with 2 one-year options for renewal.

The work with the Board's Committee members and Board President will be done by conference call or video conferencing between the July award and the October board meeting, and again between October and January. The firm and its consultant(s) will present its proposed process to the Board on October 23 and 24, 2014, and will present its findings and final report on January 15 and 16, 2015.

WestEd may request additional support for its compensation system in the process of the work for the Board, specifically, an analysis of the current ranges and their projected movement for the following year. This additional work may be added to the scope of the agreement negotiated as a result of the Award for this RFP and the related costs of this work may be added to the budget in that contract.

XIII. PROPOSAL OUTLINE

In order to simplify the review process and to obtain the maximum degree of comparability, the proposals should include the following items and be organized in the manner specified below.

1. Letter of Transmittal

A letter of transmittal briefly outlining the firm's understanding of the work and general information regarding the firm and individuals to be involved is limited to a maximum of two pages. The letter should clearly identify the local address of the office of the firm performing the work, the telephone number, and the name of the authorized representative.
2. Table of Contents

Include a table of contents that identifies the material by section, page number, and a reference to the information to be contained in the proposal.

3. Profile of Firm Proposing

a. State whether the firm is a local, national, or international firm and include a brief description of the size of the firm. State whether the proposer is a qualified small or minority-owned business, women’s business enterprise or labor surplus area firm.

b. State whether the firm is in compliance with the registration and permit requirements to do business in California.

c. Describe the local office from which the work is to be performed.
   1. Location of office.
   2. Current size of the office.
   3. The size of professional staff by level, such as partner, manager and supervisor, senior, and other professional staff.
   4. The credentials and qualifications of professional staff.

d. Any other information required to describe the office that will be performing the work.

4. Qualifications

a. Describe recent experience with similar engagements related to the proposal. Please provide at least two specific exemplars based upon past experiences that demonstrate the firm’s expertise in providing compensation review and evaluation services. (Please note these exemplars may be presented in a manner that protects any confidential or proprietary information of other clients.)

b. Include resumes of all key professional members who will be assigned to the project. Resumes should be included for all professional members of the team. The resumes should include specific engagements or clients to whom similar services have been provided if possible.

c. Describe the firm’s policy on notification of changes in key personnel.

d. Briefly describe the firm's system of quality control to ensure the work meets a high quality standard.

e. Include three client references.
5. **Scope of Services and Proposed Project Schedule**

Briefly describe the firm’s understanding of the scope of services to be provided. Indicate a proposed time schedule for completing the work, assuming the contract will be issued on the date projected in this request. Please also provide specific approaches and methodologies that the firm recommends for completing both the compensation review and the evaluation support that the firm will provide to the Board.

6. **Fees and Compensation**

Provide the following information as relevant to the fee proposal:

a. Estimated total hours.

b. Estimated out-of-pocket expenses.

c. The hourly rate by staff classification.

d. The all-inclusive maximum fee and out-of-pocket expenses, which will not be exceeded.

e. The frequency and timing of the firm’s billing process.

f. Cost of additional related services if requested by WestEd.

If the fee is proposed under a different methodology (e.g., a fixed price for all services) please provide a basis for the proposed fee.

7. **Conflict of Interest Disclosure**

Briefly describe any and all conflict of interest or appearance of conflict of interest that the firm or any of its employees may have in doing this work. A conflict of interest occurs when there is a divergence between an individual’s or company’s private interests and his/her or its professional obligations to WestEd such that an independent observer might reasonably question whether the individual or entity’s professional actions or decisions are determined by considerations of personal financial gain.
XIV. PROPOSAL SUBMISSION AND SELECTION PROCESS

By use of numerical and narrative scoring techniques, proposals will be evaluated by WestEd against the factors specified below. The relative weights of the criteria—based on a 100-point scale—are shown below.

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Points</th>
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<tbody>
<tr>
<td>Qualifications, experience, references, and ability to carry out the described work</td>
<td>25 points</td>
</tr>
<tr>
<td>Proposed methodologies and processes to accomplish work</td>
<td>20 points</td>
</tr>
<tr>
<td>Fees / expenses</td>
<td>25 points</td>
</tr>
<tr>
<td>Compliance</td>
<td>20 points</td>
</tr>
<tr>
<td>Other factors, including completeness of proposal, adherence to RFP instructions, other relevant factors not considered elsewhere</td>
<td>10 points</td>
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</table>

Review Process

WestEd may, at its discretion, request interviews/presentations by or a meeting with any or all firms, to clarify or negotiate modifications to the firm’s proposal. However, WestEd reserves the right to make an award without further discussion of the proposals submitted. Therefore, proposals should be submitted initially on the most favorable terms, from both technical and price standpoints, that the firm can propose. WestEd contemplates award of the contract to the responsive and responsible firm whose proposal is the most advantageous to WestEd, based on the highest total points. The WestEd Board of Directors has the final authority to make an Award for this RFP and this decision is final.