

Primary Executive Compensation Consultant Request for Proposal: Summary of Process and Results

Development of Request for Proposal (RFP)

In August 2015, staff received direction from the Performance, Compensation and Talent Management Committee to develop a Request for Proposal for a Primary Executive Compensation Consultant to provide ongoing independent expertise on the subject of executive compensation.

Issuance of RFP

The RFP was issued, following Committee approval of the Scope of Services. The Committee delegated the evaluation of RFP responses and interviewing of finalists to a Subcommittee comprised of Michael Bilbrey, Priya Mathur, John Chiang and Richard Gillihan.

RFP Responses Received

Eight RFP responses were received by the October 28, 2015 deadline. OSSD Contracts staff determined that all eight submissions met the RFP criteria, and Human Resources staff determined that the respondent firms met the minimum qualifications.

RFP Technical Evaluation by Subcommittee

On November 6, 2015, the Subcommittee met and reviewed the eight proposals, and assigned scores (up to a maximum of 300 possible points) to the firms' responses for each of the four categories in the Proposal Questionnaire:

- A. Organization and Background (50 points)
- B. Qualifications of Consultants to be Assigned (100 points)
- C. Understanding of Public Agency Compensation (100 points)
- D. Additional Aspects of Competitiveness (50 points)

After the Subcommittee determined the Technical Evaluation scores, Contract staff scored the fee proposals (up to a maximum of 300 possible points), as prescribed in the RFP. The combined Technical and Fee portions of the evaluation comprise 600 possible points. A threshold of 450 points was established by the Subcommittee for determination of finalists. Four firms received scores over 450, and were scheduled for finalist interviews.

RFP Finalist Interviews Conducted by Subcommittee

The Subcommittee conducted four finalist interviews on November 9, 2015. The interviews lasted approximately 25 minutes each, with an opening statement from the firms followed by questions from the Subcommittee. Upon the completion of the final interview, a motion was made to award the 400 interview points. After a brief discussion the Subcommittee agreed to the following assessment of the four finalist firms:

The Subcommittee voted unanimously on the interview scores and final scores, while additional incentive points were assigned as prescribed in the RFP for firms meeting DVBE and Small Business criteria. The resulting scores for the four finalist proposers are as follows:

Finalist Proposers (Listed in order of Final Scores)	Technical & Fee Evaluation		Technical & Fee Subtotal	Finalist Interview (400 Points)	Preference Points		Final Score
	Technical Score (300 Points)	Fee Score (300 Points)			Small Business	DVBE	
1. Grant Thornton	290	187	477	390	0	50	917
2. Global Governance Advisors	295	129	424	370	0	30	824
3. JER HR Consulting	215	295	510	120	0	0	630
4. Domain Experts Corporation	170	300	470	50	46	0	566

This is the first time that the complete process for selecting a new vendor for the CalPERS Board of Administration has been conducted in a public setting by members of the Board; from the evaluation of RFP technical proposals to the finalist interviews, with the Subcommittee assigning all Technical and Finalist Interview scores (shown in blue, above).