



Request for Proposal (RFP)

Solicitation Title:	Executive Officer Compensation Review Services
Solicitation Number:	FY24-HR-840-05212024-008
Submit Questions and Proposal to:	Tammy Scott at tscott@fhi360.org and Vanessa Cooke at vcooke@fhi360.org and Lauren Nolte at lnolte@fhi360.org
Date of Issue of RFP:	Wednesday, 3 July 2024
Date Questions from Supplier Due:	Monday, 15 July 2024, by 3PM EDT
Date Answers due from FHI 360:	Wednesday, 17 July 2024
Date Proposal Due:	Tuesday 23, July 2024 by 3PM EDT
Timeline for Contract Review:	Mid to Late July 2024
Anticipated Start Date	Early – Mid August 2024
Contract Term:	One year, with option to extend for 2 additional years
Method of Submittal:	
Respond via e-mail with attached document in MS Word / pdf format. Pricing should be provided in Excel format unless otherwise specified.	
Quote Validity:	
The Consultant/ Vendor agrees to hold the prices in its offer firm for 120 days from the date specified for the receipt of offers unless another time is specified in the addendum of the RFP.	
Pricing:	
Unless otherwise mentioned, pricing should be presented in Excel and should be indicative of the period needed and any option years mentioned.	
Terms and Conditions:	
All Purchase Order Terms and Conditions are listed on our website at: www.fhi360.org/potermis . The terms may only be modified in writing.	

About FHI 360

FHI 360 is an international nonprofit human development organization and US Government contractor headquartered in North Carolina with locations all over the globe. We partner with governments with a large portion of our work funded by the United States Agency for International Development, National Institutes of Health, private foundations, multilateral donors, universities, and commercial clients dedicated to improving lives in lasting ways by advancing integrated, locally driven solutions. Our staff of over 4,000 includes experts in health, education, nutrition, environment, economic development, civil society, gender equality, youth, research, and technology — creating a unique mix of capabilities to address today's interrelated development challenges. FHI 360 has a global reach, explore our reach [here](#).

To learn more about FHI 360, please review our website: www.fhi360.org. Direct links to our Financials and our 2024 Impact reports can be found [here](#).

Background

FHI 360 is a global nonprofit organization that mobilizes research, resources, and relationships so that people everywhere can access the opportunities they need to lead full, healthy lives. Our staff of over 4,000 experts work in more than 60 countries around the world. Our team is dedicated to improving lives in lasting ways by advancing integrated, locally driven solutions. The staff includes experts in health, education, nutrition, environment, economic development, civil society, gender, youth, research, and technology — creating a unique mix of capabilities to address today's interrelated development challenges. Our work is grounded in research and science, strengthened by partnerships, and focused on building the capacity of individuals, communities, and countries.

As we evolve to meet the challenges of the future, we stand committed to the principles that have guided our organization for the last 40+ years. Our work continues to be grounded in research and science, strengthened by partnerships, and focused on building the capacity of individuals, communities, and countries to succeed.

Addressing the world's most enduring challenges requires examining issues through multiple lenses and making the connections that will improve people's lives. With a 360-degree perspective we can work across a broad set of disciplines to deepen our understanding of complex issues. The 360-degree perspective embodies the hope and the promise of redefining the possibilities of human development.

The Board of Directors (BOD) is responsible for determining and assessing the salaries for the officers of the client organization. This process involves periodic review by an independent Executive Officer Compensation consultant to ensure compliance with the Internal Revenue Service Intermediate Sanctions and other relevant regulations that govern Office compensation in a 501(c)3 organization.

The Compensation committee of the board is responsible for decisions regarding Officer executive compensation and their role in this process includes:

- Periodically reviewing the Officer Compensation philosophy of the client organization, which includes reviewing the peer group used for comparison.
- Overseeing the structure, policies, and programs related to the company's officer compensation.

- Evaluating market data and implementing changes to the total remuneration of Officers as recommended by the Chief Executive Officer. These changes are based on market information and the performance of both the individual and the organization.
- Recording compensation decisions in order to establish a rebuttable presumption of reasonableness, thereby avoiding intermediate sanctions by the Internal Revenue Service (IRS).
- The client organization follows a pay philosophy that aims to remain competitive by attracting and retaining talent at the 50th percentile of the market. The market is defined to include 70% non-profit peer group and 30% general industry surveys, where data is available for similar positions. This philosophy may need to be revisited.

A peer group consisting of other 501(c)3 organizations, and reviewed with the Executive Compensation consultant, has been established. This group provides 990 data for comparison with other non-profits in similar organizations from which the client organization would expect to recruit. This will need to be revisited.

Scope of Work

1) Identify Best Practices in Executive Compensation.

- Conduct research and industry standards and emerging trends in executive compensation.
- Analyze various methodologies and metrics used to determine executive compensation, including a review of its current pay philosophy, and recommendations for the future.
- Provide recommendations for best practices to the client's industry and organizational goals.

2) Identify key competitors in the industry.

- Analyze competitor executive compensation practices, including salary, bonuses, incentives, and other perks.
- Provide justification for why these competitors are relevant and should be considered for benchmarking purposes.

3) Recommendations to consider for possible future Variable Compensation Plans.

- Evaluate existing variable compensation plans for executives within the industry.
- Develop customized recommendations for variable compensation plans that align with industry standards and support the Client's strategic objectives.
- Consider factors such as performance metrics, equity incentives, and retention strategies and make recommendations for other factors as appropriate.

4) Annual Board presentation of Officer compensation analysis, which includes:

- Review of the non-profit peer group with CPO and Board of the client organization to determine any necessary adjustments.
- Blended market match of Officer roles in the client organization with non-profit peer group and general industry survey data.
- Review of the incumbent officer salary in the client organization against market data to identify position against the market.
- Opinion letter to the BOD on the reasonableness and compliance with Intermediate Sanctions guidelines according to IRS Final Regulation Section 53.4958-1 and excess

benefits transactions (EBT) for the cash components of pay included in the assessment.

- e. Annual education to the BOD on Fiduciary responsibilities in creating a rebuttable presumption of reasonableness, disqualified persons, intermediate sanctions and other relevant officer compensation regulations or current approaches.
- f. Opinion and consultation to CPO, CEO and BOD on the client organization's compensation approach, philosophy, Officer Compensation package and position to the market.

5) Ad hoc consulting on Officer Compensation specific to the International Development industry, government contracting organizations (both for and not-for-profit), and other non-profits.

6) Benchmarking/comparison of Total Rewards upon request.

7) Review and reassess compensation philosophy and peer group comparison.

Required Documentation:

1. **Pricing for Annual Review:** Provide pricing for each annual review for a 3-year contract.
2. **Sample Engagement Letter** describing approach, process, and deliverables for a) the first year of the engagement and for b) the subsequent 2 years of the engagement.
3. **Compensation Philosophy and Peer Group Comparison:** include compensation philosophy and peer group comparison details in the overall fee structure and as a separate line item with an associated hourly rate.
4. **Additional Services Related to Officer Compensation:** provide for any additional services.
5. **Example of Work:** Provide an outline of how a Short Term Incentive plan would be developed for an organization that has not previously had one.
6. **Reference Companies:** Provide three reference companies with contact details that are familiar with your firm's performance of similar services. FHI 360 would like for one of these companies to be within the International Non-Government Organization space.
7. **Project Timeline for Annual Analysis:** Our project timeline aligns with these deliverable dates:
 - **December 2024:** Draft report provided to the CPO.
 - **Early January 2025:** Revised report (if needed) provided to the CEO.
 - **January 2025:** Final report and materials provided to the Board.
 - **February 2025:** Annual process report presented to the BOD.
8. **Experience with Non-Profits and Intermediate Sanction Guidelines:** Present your experience working with non-profits, international development organizations and with consulting in areas of Intermediate Sanction guidelines according to IRS Final Regulation Section 53.4958-1.
9. **Draft Contract:** Provide a draft contract with terms and conditions for a multi-year agreement.

Evaluation Criteria

1. Experience and Expertise

Track Record: The vendor's experience in designing executive compensation plans, especially in your industry.

Client References: References and testimonials from past clients.

Professional Credentials: Qualifications and certifications of the team members, such as CCP (Certified Compensation Professional) or CECF (Certified Executive Compensation Professional).

2. Comprehensive Understanding

Needs Analysis: The vendor's ability to understand the organizations specific needs and strategic goals.

Market Understanding: Knowledge of current market trends, regulatory requirements, and best practices in executive compensation.

3. Proposed Methodology

Approach and Plan: The clarity and thoroughness of the proposed approach, including timeline, milestones, and deliverables.

Customization: Ability to tailor solutions to meet the organizations unique circumstances rather than offering a one-size-fits-all solution.

4. Technical Capability

Data Analysis: Proficiency in data analysis, modeling, and benchmarking against industry standards.

Technology Use: Utilization of advanced tools and technologies for compensation planning and management.

5. Compliance and Risk Management

Regulatory Compliance: Understanding of legal and regulatory requirements related to executive compensation.

Risk Management: Ability to identify and mitigate potential risks in the compensation plan.

6. Innovation

Innovative Solutions: Introduction of new and innovative compensation strategies that can drive organizational performance and retention.

7. Communication and Support

Communication Skills: Effectiveness in communication, both in proposal documentation and during presentations.

Ongoing Support: Availability and quality of post-implementation support and training.

8. Cost and Value

Cost Structure: Clarity and transparency of the pricing model.

Value Proposition: Assessment of the overall value, considering both the cost and the potential impact of the proposed solution.

9. Cultural Fit

Organizational Fit: Alignment with FHI 360 organizational culture and values.

Collaboration: Willingness to work collaboratively with FHI 360 internal team.

10. Case Studies and Examples

Relevant Projects: Case studies or example of similar projects successfully completed.

Outcome Metrics: Measurable outcomes from previous engagements that demonstrate the vendor's effectiveness.

FHI 360 Disclaimers

- FHI 360 may perform a background check on any selected Consultant candidates.
- FHI 360 may cancel the solicitation and not award
- FHI 360 maintains the right to reject any or all responses received
- Issuance of the solicitation does not constitute an award commitment by FHI 360
- FHI 360 reserves the right to disqualify any offer based on failure of the offeror to follow solicitation instructions
- FHI 360 will not compensate any offeror for responding to solicitation
- FHI 360 reserves the right to issue award based on initial evaluation of offers without further discussion
- FHI 360 may choose to award only part of the activities in the solicitation, or issue multiple awards based on the solicitation activities
- FHI 360 reserves the right to waive minor proposal deficiencies that can be corrected prior to award determination to promote competition
- FHI 360's supplier terms and conditions can be found [here](#) while our consultant terms and conditions can be found [here](#)

By signing this attachment, the bidder confirms he has a complete understanding of the specifications and fully intends to deliver items that comply with the above listed specifications.

Signature:

Title:

Date:
