



## REQUEST FOR PROPOSALS FOR SMALL PURCHASE (UNDER \$50,000)

**Date Issued:** Wednesday, September 14, 2016

**Description:** Classification and Compensation Plan for the South Carolina Education Lottery (SCEL)

**Submit Offer By:** Wednesday, October 19, 2016, at 3:00PM ET (Late proposals will not be accepted)

**Questions Must Be Received By:** Wednesday, September 28, 2016 at 3:00PM ET

Offerors desiring an explanation, clarification, or interpretation of this Solicitation must request it in writing. Oral explanations or instructions will not be binding [See R. 19-445.2042(B)]. Any information given to a prospective Offeror concerning this Solicitation will be promptly furnished to all other prospective Offerors as an Amendment to the Solicitation. If you became aware of this Solicitation through the South Carolina Business Opportunity (SCBO) website and you are considering submitting a Proposal, it is very important that you contact Ms. Marsh via email to ensure that you receive any amendments. An amendment becomes part of the Contract with SCEL and it may alter the scope of work or otherwise affect the information you must submit to SCEL. Answers to questions will be issued through an amendment.

**Award:** SCEL will award to the highest ranking, responsive and responsible Offeror whose written Proposal is determined to be the most advantageous to the State, taking into consideration the price and the evaluation factors set forth in this Request for Proposals (RFP).

The procurement for the services listed herein is pursuant to the Small Purchases procedures of the South Carolina Consolidated Procurement Code which may be over ten thousand dollars (\$10,000) but not in excess of fifty thousand dollars (\$50,000) [§11-35-1550 (2)(c)]. An Offeror may not quote a price above \$50,000, including travel cost, and all work requested in this RFP must be performed for the quoted price.

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**Submit Inquiries/Questions to address, email, or fax below. Proposals are preferred via email in pdf or Word format with pricing submitted in a separate document. Only one copy of the Proposal and one copy of the pricing proposal should be submitted.**

S.C. Education Lottery

Attn: SCEL HR Procurement

Petrina Marsh

1333 Main Street, Suite 400

Columbia, SC 29201

Phone: (803) 737-2808/Fax: (803) 737-0047/Email: [Petrina.Marsh@sclot.com](mailto:Petrina.Marsh@sclot.com)

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SCEL's RFP for this Small Purchase is conducted under the authority of the South Carolina Code of Laws and State Regulations and is pursuant to all applicable statutes and regulations within the South Carolina Consolidated Procurement Code located on the following link. <http://www.scstatehouse.gov/code/t11c035.php>

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## I. INTRODUCTION.

**Purpose.** SCEL is issuing this Solicitation to obtain offers from Qualified Providers for a Classification and Compensation Plan in accordance with the requirements stated herein.

**Contract Period.** The estimated start date for this contract is **1/9/2017** and the estimated end date is **06/30/2017**. While the estimated end date is not expected to exceed 25 weeks, it may be extended upon agreement and prior approval from both parties.

**Background.** SCEL is a Public Commission and Instrumentality of the State of South Carolina (State) and operates as an Enterprise Entity. SCEL's sole purpose is to operate the State Lottery and transfer its profits to the State Treasurer for the South Carolina General Assembly to appropriate for education. SCEL markets its lottery products, which include instant and terminal games, in a socially responsible manner.

SCEL is completely self-sufficient, receiving no State appropriations. In FY 2016, SCEL transferred more than \$404 million to the State with sales of \$1.6 billion. SCEL's places great emphasis on efficiency and maintaining integrity with its employees, players, retailers and vendors. Like most businesses, SCEL's success requires a loyal, diverse, and well-trained workforce who adheres to the highest ethical standards.

SCEL continuously seeks to employ talented and creative employees and provide them with a supportive work environment with the resources necessary to achieve these goals. SCEL's Human Resources Division conducted an internal study in 2003 which resulted in an employee classification plan that used the point-factor methodology to evaluate compensation. In 2006, SCEL issued a competitive proposal requesting further research of its compensation and classification plan using the same evaluation methodology as described above. As a result of that Solicitation, SCEL's current compensation plan consists of a grade-level pay plan for all full-time and part-time positions. Adjustments to grade ranges and the placement of new and revised positions with additional duties and responsibilities are evaluated on an on-going basis.

SCEL currently has 117 full-time employees and less than 10 part-time employees, with approximately 78 of those employees in its Columbia Business Office and Claims Center. The majority of SCEL's staff members (approximately 90) are classified as non-exempt according to the Fair Labor Standards Act (FLSA). Forty-two of the non-exempt employees are Field Services employees who work out of their homes (equipped with an SCEL computer and smart phone) and service licensed SCEL retailers throughout the state. SCEL and its employees are governed by rules applicable to at-will employment. SCEL is not part of the South Carolina Classification and Compensation Program or the state employee discipline or grievance procedures.

**Objectives.** SCEL's HR Department seeks a comprehensive Classification and Compensation Plan that will provide HR assistance in developing, implementing, administering, and maintaining equitable classification and fair pay plans for its employees. This plan assists in attracting and retaining highly motivated, productive, and competent work force.

SCEL's primary HR objective is to create and maintain a dynamic workforce with sustainable and balanced growth by (1) providing salaries that commensurate with assigned duties; and (2) rewarding recognizable compensation growth via training and promotional opportunities.

SCEL's Executive Director will approve the final Classification and Compensation Plan with reports/recommendations and communicate results to employees. Notifications of any position changes based on the results will be made to individual employees by SCEL, as necessary.

Upon SCEL's final approval of project recommendations, it is not anticipated that any additional work by the vendor will be necessary.

**II. SCOPE OF WORK.** The Offeror must:

**A. Classification Plan.**

1. Meet with SCEL's Human Resources staff to discuss current Classification structure, including, but not limited to, position descriptions, current workforce analysis data, prior compensation and classification study results, and exempt and non-exempt status (29 positions currently exempt and 24 positions non-exempt, with a total of 117 full-time equivalent employees).
2. Meet with SCEL employees selected as functional area Subject Matter Experts for designated positions to gain additional insights in their particular specialties.
3. Meet with HR to discuss proposed classification study and agree on methodology process and Position Information Questionnaire (PIQ) to be used.
4. Meet with Departmental Directors and senior management staff to explain the study, methodology and the PIQ to be used.
5. Conduct interviews and/or job audits with employees as appropriate. Interviews and/or job audits may be conducted individually or in groups based upon classification and/or FLSA status.
6. Compare PIQ, interview and job audit results to existing job descriptions.
7. Update and/or create class specifications as needed to uniformly reflect distinguishing characteristics, essential job functions, minimum qualifications, working conditions, license/certification requirements, regulatory requirements, standby responsibilities, etc., for all classifications.
8. Identify management, supervisory, professional, technical, and general employees, including FLSA status (exempt/non-exempt).
9. Draft and submit proposed class specifications for review by Human Resources. Offeror will recommend classification series and levels within the series, as applicable. In addition, Offeror to review reporting/organizational structure and make recommendations.
10. Finalize class specifications and recommend appropriate classification for each employee, including correction of identified discrepancies between existing and proposed classifications and career progression/promotional opportunities for each classification.

**B. Compensation Plan.**

1. Conduct a comprehensive survey of the external regional labor markets with comparable employers and benchmark positions based on salaries and wages from Fiscal Year 2017 which includes, but is not limited to, (1) overall comparability of program structure and function, (2) specific job/duty similarities, (3) benefits/insurance structure, (4) geographic/demographic composition, (5) size of employer, and (6) FY17 sales/profit revenues.
2. Conduct a salary survey by comparing maximum/minimum monthly base salaries of comparable positions with each existing classification.
3. Recommend an appropriate salary range for each existing or proposed position based on the classification plan and the compensation survey results.
4. Prepare new salary/position mapping plan. The updated plan shall include: (1) the classification determination of each position, (2) the proposed classification structuring concepts and specifications, (3) the proposed recommendations for job titles based on grade-level position similarities, (4) recommendations for the classification of current managerial positions, (5) a dual compensation structure for exempt and non-exempt employees with an allowance for utilizing the broad-banding approach for the exempt-level structure, and (6) a proposed employee compensation evaluation program for all SCEL employees.

**C. Study Conclusion.**

1. Develop a comprehensive Classification and Compensation Plan. The plan must include the methodology and techniques used to prepare the report and the survey data results (using a raw data/report format).
2. Provide instructional information for HR staff to conduct individual salary audits and adjustments consistent with study methods until the next formal study is conducted.

**III. PROPOSAL INFORMATION FOR OFFERORS TO SUBMIT.** All proposals must be complete and carefully worded to convey all of the information requested by SCEL below. Proposals must provide a straightforward, concise description of the Offeror's capabilities to satisfy the requirements of the RFP. Proposals that include modifications to any of the items listed in Sections II will be considered less favorably than a proposal meeting all of the items, unless the Offeror is able to positively demonstrate that its different approach will produce a better end-product for SCEL. The Offeror's approach to the work must be presented in its response to Section III.B.

To be considered for award, all proposals should be organized to clearly address the following requirements, as a minimum. **All information must be presented in the listed order:**

**B. Cover Letter.** Offerors must provide a cover letter that summarizes its ability to perform the services described herein and a statement that the Offeror is willing to perform those services and enter into a Contract with the South Carolina Education Lottery. The cover letter must be signed by a person having the authority to bind the Offeror to a Contract. The cover letter must include the representative's name, title, address, telephone number, email address and any other appropriate means for contact of the representative.

**C. Statement of Methods and Procedures.**

1. Provide a statement describing the Scope of Work, Section II, as you understand it, and describe the approach, means, methods and procedures to be employed to gather the data, analyze findings and develop recommendations as requested.
2. Describe the way in which the work product will be structured and presented upon completion.
3. Provide a sample Position Information Questionnaire (PIQ).

**D. Work Schedule.**

1. Provide an estimate of time required to complete the project and a proposed timeline of work tasks in response to Section II, with the date of final completion of the project. Note: The maximum length of time should not exceed 25 weeks from award of contract.
2. Offerors must provide a proposed timeline and payment schedule which shall include the initial, in-progress, and final payment times and percentages.

**E. Qualifications of Offeror.** Offerors must include all pertinent information to substantiate their qualifications and capabilities to perform the services described in Section II including:

1. Prior experience with developing and implementing classification and compensation plans for the public gaming industry, public lotteries, government-related entities, and/or any other business entities for which comparable services have recently been rendered.
2. Demonstrated understanding and success at working with employees who may not have participated in this type of process, as well as with a variety of individuals with different educational and work experience backgrounds.
3. Provide at least three (3) references that SCEL may contact regarding the evaluation of prior services performed as requested in this RFP. References must include the business name, contact name, address, telephone number, e-mail address, and name of company website if available.

**F. Qualifications of Assigned Personnel.**

1. Provide a list of all proposed individuals to be assigned to this project and the specified assigned responsibilities to this project including, relevant work experience summarizing the qualifications and experience of the individuals who will be conducting the study compensation analysis, classification studies and other related services. Offeror must identify a single point of contact who will serve as project manager and point of contact for all SCEL services.
2. The Offeror must confirm that the level of service (including the number and experience of assigned staff, and number of manhours) committed to SCEL in this Proposal shall be maintained throughout the Contract and that SCEL shall preapprove any replacements made in key personnel assigned to the SCEL account.

**G. Price Proposal.** Pricing information must be SEALED in a separate envelope if a hard copy of the Proposal is submitted (see page 1). It will not be considered until after the Technical Proposal has been evaluated. The fee shall include one price for all services, including travel, and may include any payment terms or schedule of payments the Offeror prefers.

**G. General Information.**

1. Offerors must provide a copy of the company's most recent Financial Statement or Annual Report.
2. Offerors shall submit any additional or pertinent information for consideration as long as it is relative to the RFP.

**IV. AWARD CRITERIA.**

**A. Award Determination.** Award will be made to the highest ranked, responsive, and responsible Offeror whose offer is determined to be the most advantageous to SCEL.

Each Proposal will be evaluated using only the factors stated below in B. and C. Evaluation factors are stated in the relative order of importance, with the first factor being the most important. Once the evaluation is complete, all responsive Offerors will be ranked from most advantageous to least advantageous.

**B. Technical Proposal and Qualifications.**

1. The Offeror's ability to provide a comprehensive approach to the performance of the Classification and Compensation Plan, including a full description of the methodology and techniques the Offeror will use in identifying and evaluating information provided and timeline for completion. This includes a description of the process to be used and submission of any forms, questionnaires, technological resources, and/or instruments proposed for use in this study as set forth in the Scope of Work, Section II and expressed in response to Sections III.B. and C.
2. The Offeror's ability to provide substantive evidence of qualifications, experience, staffing capabilities, and credentials to perform and satisfy the requirements as described in response to Section III.D. and E. The response to Section III.G. will not be considered unless SCEL determines that the financial position of the Offeror puts at risk its ability to complete the project as required.

**C. Price Proposal.** Cost will be taken in account after the evaluation in B. above has been completed and the Offerors have been ranked based on B. items 1. and 2. The lowest cost is important but the lowest price will not determine the Award unless the proposals of two Offerors are rated as equivalent, or nearly equivalent, and the price makes one proposal more advantageous to SCEL.

Prior to Award, the Offeror must supply information required by the Lottery Act, S.C. Code Ann §59-150-130, to perform a criminal background review on the owners, shareholders, or partners of the Offeror.

## V. GENERAL TERMS AND CONDITIONS.

**Subcontractor.** The Offeror may use Subcontractors to provide services as contemplated under this RFP. In the event the Offeror utilizes the services of a Subcontractor, the Subcontractor will be considered as one of the Offeror's Staff by SCEL, and therefore, subject to the same requirements as the Offeror's Staff as discussed above under the captions, "Qualifications of Assigned Personnel." The Offeror must submit information or documentation for any Subcontractor (at any tier level) that will perform professional services pursuant to this RFP.

**Payment for Subcontractor Services.** The Offeror will be responsible for engaging the services of any Subcontractor. The Subcontractor, if designated to perform services for a specific project(s), shall be paid for their services, including expenses incurred by the Subcontractor, by the Offeror. All matters concerning wages, expenses, hours worked and paid, working conditions and other similar administrative matters shall be resolved between the Offeror and its Subcontractor and not between the Subcontractor and SCEL.

**Invoices and Billing.** Invoices or other billings shall be submitted to SCEL in writing and will be paid as agreed upon by SCEL and the Vendor.

The Offeror shall be responsible for withholding Federal and State income taxes, paying Social Security Taxes, unemployment insurance and maintaining worker's compensation insurance coverage in an amount and under such terms as required by the State of South Carolina.

**Conformity with Rules, Regulations, Licensing Laws, etc.** During the term of the contract, the Offeror and its Subcontractors shall abide by all applicable rules, regulations, or policies established by SCEL and/or the facility on whose premises the Offeror and/or its Subcontractors perform services. SCEL shall provide materials to the Successful Offeror regarding SCEL policies, regulations, and procedures.

Further information regarding SCEL or its enabling legislation may be found on the links provided below.

SCEL: <http://www.sceducationlottery.com>.

S.C. Code of Laws §59-150-10, et seq.: <http://www.scstatehouse.gov/code/t59c150.php>.

S.C. Code of State Regulations §44-10, et seq.: <http://www.scstatehouse.gov/coderegs/Ch%2044.pdf>.

**Dispute Resolution.** The following provision from the S.C. Code of Laws is provided as information and will be applied to the solicitation. In submitting a proposal, the Offeror understands that there is no right to file a protest of this document or the resulting award. [Section 11-35-4210(1)(d)]

**Nonresident Taxpayer Registration Affidavit.** Nonresident taxpayers are required to register with the S.C. Department of Revenue (SCDOR). For additional information, contact the SCDOR, Offices Services Division, at (803) 898-5000.

**Employer Identification Number.** "Employer Identification Number (EIN)," means the number required by the Internal Revenue Service (IRS) to be used by the Offeror in reporting income tax and other returns. There are a variety of numbers that may be used, including Social Security and others. If the Offeror does not have a EIN, more can be learned about this and application can be made for one at: <https://www.irs.gov/businesses/small-businesses-self-employed/employer-id-numbers-eins>.

### **Tax Credit for Subcontracting with Small and Minority Businesses**

Vendors interested in income tax credit availability by subcontracting with certified minority firms should contact the Division of Small & Minority Business Contracting and Certification (SMBCC). SMBCC was created to assist Small and Minority Businesses in the State of South Carolina. For further information, phone (803) 734-5010.