

## **CORE REVIEW APPROACH AND INSTRUCTIONS FOR DISCUSSION**

Not Responsive

Not Responsive

Objective 6: *Ensure public-sector management wage levels are appropriate while recognizing the need for leaders who can positively impact the effectiveness and productivity of public-sector agencies.*

This objective will be undertaken directly by the DM, Corporate Initiatives in conjunction with PSEC as such this topic will not form part of the general instructions to ministries. The resulting report and recommendations will be presented to the CWGCR. The draft terms of reference for this review are appended as Appendix B.

Not Responsive

Pages 4 through 8 redacted for the following reasons:

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Not Responsive

## **APPENDIX B**

### **TERMS OF REFERENCE PUBLIC SECTOR WAGE COMPENSATION REVIEW**

The province will retain an external and independent firm to conduct an analysis on public sector compensation and provide recommendations to government to fulfill the Core Review objective to help *ensure public sector management wage levels are appropriate while recognizing the need for leaders who can positively impact the effectiveness and productivity of public sector agencies.*

The objectives for this compensation review are as follows:

- Review trends in BC public sector executive, management and bargaining unit compensation in the broader public sector, including the public service, crown corporations and agencies and municipalities over the last six years;
- Assess the current model for the setting of wage compensation mandates in the broader provincial public sector and make recommendations for improvement should such improvements be needed; and
- Assess the current model for the setting of executive and management compensation in the public sector and make recommendations for improvement should such improvements be needed.

The review must foremost respect the role of taxpayers as well as recognize the need for leadership and talent in the public sector to positively impact the effectiveness and productivity of public sector agencies.

A report will be provided to government by December 31, 2013. Recommendations will be considered by the Cabinet Working Group on Core Review. The report will be made public once decisions are reached by Cabinet.

Pages 10 through 23 redacted for the following reasons:

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Not Responsive



## **REQUEST FOR PROPOSALS STRATEGIC ADVISOR SERVICES**

RFP Number: # SA-MF2-A

RFP Issue date: January 24, 2013

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### **CONTACT PERSON**

All enquiries related to this Request for Proposals ("RFP"), including any requests for information and clarification, must be directed, in writing, to the following **Contact Person**:

**CLOVER EDISON**

**Email: Procurement.Process@gov.bc.ca**

No telephone or in person enquiries please

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### **DELIVERY OF PROPOSALS**

Proposals must be delivered by hand or by courier to the following **Closing Location**:

**CLOVER EDISON**

**PARTNERSHIPS DEPARTMENT**

**MINISTRY OF TRANSPORTATION AND INFRASTRUCTURE**

**5A - 940 BLANSHARD STREET**

**VICTORIA BC V8W 3E6**

Proposals must be received at the Closing Location on or before the following **Closing Time**:

**2:00:00 PM local time, Thursday, February 28, 2013**

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### **PROPOSERS' MEETING**

A Proposers' meeting has NOT been scheduled at this time.



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## Strategic Advisor Services, RFP #SA-MF2-A

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## PART A. TERMS OF REFERENCE

### A1. Purpose

The purpose of this Request for Proposal ("RFP") is to invite Proposals from eligible Proponents for the provision of the Services described in this RFP.

Subject to the terms and conditions of this RFP and the acceptability of Proposals, the Province intends to select and retain **more than one** Consultant as a result of this RFP to provide the Services.

Prospective Proponents should consider **C1.1 Mandatory Criteria** and **C1.2 Rated Criteria** before responding to this RFP.

**Note:** In accordance with the terms of RFP #SA-MF2, the Province, in its sole discretion, is hereby re-issuing that RFP in order to ensure that all prospective proponents have an opportunity to submit a Proposal for the provision of the same or similar Services.

Proposals submitted in response to this RFP will be evaluated using the same methodology and criteria as was used to evaluate Proposals submitted in response to RFP #SA-MF2.

Proponents who submitted a Proposal in response to RFP #SA-MF2 may, at their discretion,

1. not respond to this RFP as their Proposal has already been evaluated; or
2. submit a new or revised Proposal for evaluation. All new or revised Proposals must be fully compliant with all requirements of this RFP to be considered a valid Proposal.

### A1.1 Background

The Ministry of Finance ("the Ministry") plays a key role in establishing, implementing, reviewing and overseeing government's economic, fiscal, and financial management policies, decisions, and initiatives, as well as a number of financial and corporate regulatory functions

Because of the span of the Ministry's interests, there are often shared interests, priorities and objectives among the Ministry and other ministries and organizations within the provincial public sector.

In cooperation with other ministries and organizations, the Ministry also provides critical supporting and consultant functions for a variety of government committees and cross-agency priority projects and initiatives.

The Ministry draws on both internal and external resources to plan and carry out its mandate.

### A2. Scope of Services

The Consultant will nominate one (1) individual, as the Advisor. The Advisor will report to the Ministry Manager, and will represent the Consultant in all matters pertaining to the Contract and the Services. All Services will be performed personally by the Advisor, unless otherwise approved in writing by the Ministry Manager. Any resources provided by or through the Consultant will report to, be co-ordinated by, or be under the direction of the Advisor at all times, unless otherwise approved in writing by the Ministry Manager.

Based on the needs of the Province and the skills of the Consultants selected as a result of this RFP, Advisors might be called on to provide a wide range of Ministerial and Cabinet/Treasury Board level strategic and expert advice, analysis and assistance as necessary to plan and manage/lead initiatives in one or more of the following areas:

- 1) labour, service, or supply relations and agreements;
- 2) trade relations and agreements;
- 3) federal-provincial relations and agreements;
- 4) inter-provincial issues and relations;



- 5) municipal and regional government issues and relations;
- 6) First Nations issues and relations; and/or
- 7) Social and economic development sector issues and relations.

The Consultant may, from time to time, be called on to identify and retain such additional specialized resources as may be necessary to affect the proper and timely performance of the Services. The selection of such specialized resources and the Hourly Rates payable for such additional resources will be as agreed in writing between the Consultant and the Ministry Manager before the additional resources perform any billable Services.

**Note:** The Ministry reserves the right to expand or reduce the scope of the Consultant's Services at any time during the term of the Contract.

**Conflict of Interest:** The Ministry recognizes that the Consultant may have concurrent retainers with other public and private sector clients and the Ministry expects all parties to work co-operatively to ensure that potential conflicts of interests are disclosed and avoided in a timely manner. Consultants may be called on, at any time, to provide the Ministry Manager with a written update of any real or potential conflicts. Consultants should also refer to the terms and conditions in the **General Services Agreement** attached to this RFP.

**Confidentiality:** It is anticipated that, in the course of performing Services, the Consultant will have access to information that is commercially significant and may be subject to Cabinet level confidentiality. Therefore, the Consultant shall not be eligible to provide advice to or act for any other parties associated with any matter that is the subject of a Service assignment under this Contract without the express written consent of the Ministry Manager. The Consultant will safeguard and always keep confidential all information obtained in the performance of the Services except as authorized in writing by the Ministry Manager. Consultants should also refer to the terms and conditions in the **General Services Agreement** attached to this RFP.

### **A3. Assignment of Service Opportunities**

All Services will be performed on an "if, as and when requested by the Province" basis. No Consultant is guaranteed to be called on either to perform any Services or to prepare any work plans and cost estimates regarding any potential Services as a result of entering into a Contract with the Province.

The Consultants retained as a result of this RFP will not have an exclusive right to perform any of these Services. The Province may, at its discretion, elect to perform these Services with internal resources or to procure the same or similar Services from other sources at any time.

No Consultant is expected to guarantee that they will be available to either provide any Services or to prepare a work plan and cost estimate for a potential assignment that might subsequently be offered to them by the Province.

Service assignments may be initiated by a work assignment letter or the Ministry Manager may call on the Consultant by phone or email to provide "ad hoc" Services on short notice.

The Province will have the sole discretion in determining;

1. whether a particular Consultant or Consultants are invited to undertake any specific assignment or assignments;
2. whether one or more Consultants will be invited to prepare a work plan and cost estimate to assist the Province in determining which Consultant or Consultants will be selected to undertake a potential assignment; or
3. whether to have the Services performed by another party.

Such determination will be based on the Province's understanding of which Consultant or Consultants have the most appropriate combination of knowledge, skills, abilities and strengths in specific

categories to undertake the Services to be assigned in a manner consistent with the Province's priorities and understanding of the assignment. The Province shall not be obligated to invite all Consultants to prepare a work plan and cost estimate for each potential assignment.

If the Province elects to invite one or one or more Consultants to prepare a work plan and cost estimate to assist the Province in determining which Consultant or Consultants will be selected to undertake a potential assignment, the criteria for subsequently selecting the Consultant or Consultants to undertake that assignment shall be as disclosed by the Province in the invitation to prepare the work plan and cost estimate. The Province shall not be obligated to award any work assignment letter for any Services to any Consultant at any time.

#### **A4. Ministry Obligations during the Contract Term**

During the term of the Contract, responsibilities of the Ministry will include:

1. Appoint a Ministry Manager to act as the Consultant's primary point of contact with the Ministry on all matters related to the performance of the Services.
2. Provide the Consultant with clear written or verbal instructions regarding the scope, schedule, and reporting relationships involved in each assignment.
3. Provide the Consultant with timely access to Ministry source documents, files, and computer systems as required to perform any Services.
4. Provide timely review, feedback, and approval, where appropriate, of all work plans, reports, and other deliverables delivered by the Consultant in the performance of the Services.
5. Meet periodically with the Consultant to discuss the progress of the Services.
6. Provide periodic verbal and written performance evaluation and feedback to the Consultant.
7. Be available to constructively resolve any performance issues as they may arise.
8. Provide timely review of invoices and approval for payment, where appropriate.

The Ministry reserves the right to expand or reduce the scope of its obligations at any time during the term of the Contract.



## **PART B. THE CONTRACT**

### **B1. Form of Contract**

The Contract entered into by the Province and the Consultant shall be on the terms and conditions contained in the **General Service Agreement** which is attached to this RFP.

The terms and conditions of the **General Service Agreement** and its Schedules are not negotiable.

The Contract shall be prepared by the Ministry and shall also include;

- 1) parts of this RFP, including but not limited to **Part A. Terms of Reference** and **Part B. The Contract**, as deemed appropriate by the Ministry, and
- 2) parts of the Proponent's Proposal including any clarifications, rectifications, and negotiated changes, as deemed appropriate by the Ministry.

Where any part of the Proponent's Proposal, whether incorporated into the Contract or not, contradicts or conflicts with any other part(s) of the Contract, the other part(s) of the Contract shall prevail.

### **B2. Term**

All Services are expected to be performed within an initial Contract Term of two (2) years. At the discretion of the Ministry and subject to available appropriation, the initial Contract Term may be extended for an additional period of not greater than two (2) years.

### **B3. Payment**

The Province will pay the Consultant monthly in arrears on the basis of the agreed Hourly or Daily Rates plus approved expenses ("time and expenses").

**Hourly or Daily Rates:** Hourly or Daily Rates are to be full reimbursement for all costs associated with performing the Services including all overhead and out-of-pocket costs such as local travel, office space, routine copying and printing. Hourly or Daily Rates established at Contract commencement will be firm during the initial two (2) year Term of the Contract. The Hourly or Daily Rates for the extended Term, if any, will be subject to negotiation annually with all other contract terms remaining the same.

**Expenses:** The only approved expenses will be pre-approved travel, lodging, and meals at approved Group 2 rates for approved travel. These rates are not negotiable. Out of Province travel, as pre-approved by the Ministry Manager, may be required.

Except as expressly set out in the Contract, the Province will not be liable to any party, including the Consultant, for any costs, expenses, or other charges in association with any part of the Services other than the Hourly or Daily Rates and pre-approved expenses as set out in the Contract.

The Consultant will provide all Services on an "if, as and when requested by the Province" basis. The Consultant shall not be entitled to a minimum guarantee of work in association with the Contract.

The Province does not expect total payments for Services rendered during the initial Term to exceed \$300,000.00.

### **B4. Location**

The Consultant may be called on to work from their own premises or various locations within BC.

### **B5. Insurance**

The Consultant may be required to show proof insurance coverage in accordance with the terms and conditions of the **General Services Agreement** attached to this RFP.



## **B6. Registration with Workers' Compensation Board**

The Consultant, its employees, and approved sub-consultants will be required to maintain WCB coverage in accordance with the terms and conditions of the **General Services Agreement** attached to this RFP.

## **PART C. PROPOSAL REQUIREMENTS**

### **C1. Proposal Purpose**

The purpose of each Proposal should be to demonstrate to the satisfaction of the Province that the individual nominated by the Proponent as the Advisor to personally perform the Services has the knowledge, skills, abilities, and experience necessary to provide the Services described in **Part A** of this RFP in a professional, timely, reliable, confidential, and cost effective manner.

#### **C1.1 Mandatory Criteria**

In addition to the delivery, format, and content requirements described in **C2** through **C4** inclusive, Proposals **must** demonstrate that the individual nominated as the Advisor to provide the Services has the following knowledge and experience:

- 1) Significant experience in a senior executive leadership/advisory role;
- 2) Significant senior experience as a leader, planner, negotiator, facilitator, mediator or arbitrator, in relation to major organizations, trade and labour arrangements, inter-governmental relations and other strategic engagements and projects;
- 3) Significant in-depth knowledge of and experience with the BC business, labour market and other social and economic sectors;
- 4) Significant knowledge and experience in dealing with major current issues and priorities of government and the broader public sector;
- 5) Significant experience in providing confidential strategic operational and public policy advice and assistance to senior government decision-making bodies; and
- 6) Significant knowledge of the role of government and the broader public sector.

#### **C1.2 Rated Criteria**

Rated criteria points for the Advisor category will be assigned based on the Province's assessment of the cited knowledge, skills, abilities, and experience of the individual nominated as the Advisor in one or more of the following areas:

- 1) labour, service, or supply relations and agreements;
- 2) trade relations and agreements;
- 3) federal-provincial relations and agreements;
- 4) inter-provincial issues and relations;
- 5) municipal and regional government issues and relations;
- 6) First Nations issues and relations; and/or
- 7) Social and economic development sector issues and relations.

**Note:** No Proponent is expected or required to demonstrate experience in all of the above areas.

Rated criteria points for the Understanding of Business Environment Issues and Role category will be based on the Province's assessment of how the Proponent has demonstrated a clear understanding of the environment, key issues, considerations and risks that are integral to the satisfactory performance



of the Services and an explanation of how their cited knowledge, skills, abilities, and experience are particularly suitable to address those issues and Service delivery considerations.

## **C2. Proposal Delivery**

Proposals must be delivered by hand or courier to the Closing Location on or before the Closing Time.

Proposals delivered by facsimile or by email will not be considered valid and will be rejected.

Late Proposals, including Proposals delivered by or through Canada Post, *Expresspost*, or *Priority™ Worldwide* that arrive at the Closing Location after the Closing Time, will not be considered valid and will be rejected.

In the event of a dispute regarding delivery, the Closing Time and Closing Location as determined by the Contact Person shall prevail whether accurate or not.

Proposals are to be delivered in one package or envelope, clearly labelled with the "RFP Title", "Contact Person", and "Closing Location" all as shown on the RFP cover page.

The name and mailing address of the Proponent should also be clearly shown on the exterior of the package or envelope containing the Proposal.

## **C3. Proposal Format**

Each of the four (4) complete paper copies of the Proposal contained within the package or envelope is to be loose-leaf (corner stapled is acceptable), 3-ring bound or cerlox bound on 8.5" x 11" paper. Text should be printed single sided, 1.5 line spaced and not smaller than 11-point typeface.

Proposals must be in English to be considered valid.

## **C4. Proposal Content**

Each Proposal must, in the opinion of the evaluation committee, substantially comply with the form and content requirements of C4.1 through C4.5 inclusive to be considered valid.

### **C4.1 Offer Letter**

In this section of the Proposal, provide an Offer Letter matching the form and content of the specimen Offer Letter attached to this RFP, signed by an Authorized Representative of the Proponent. Provide the Proponent's full legal name and business address and clearly identify the Proponent's Authorized Representative including the telephone number and email address at which they can be contacted.

### **C4.2 Advisor**

In this section of the Proposal, provide the following information about the **one (1) person** nominated to be the Advisor:

- 1) Summary of Experience - A Summary of Experience that demonstrates that the individual has the relevant education, experience, knowledge, skills, and abilities to provide some or all of the Services anticipated in **Part A** of this RFP in a professional, reliable, and confidential manner.
- 2) Resume and List of Projects - A resume or curriculum vitae describing the individual's relevant education and work experience. Provide information on their relevant project or assignment experience. For each project or assignment cited, provide the information listed below.
  - a) Project or Assignment – Briefly describe the project or assignment including key challenges, objectives, and outcomes.
  - b) Role – The individual's title on the project or assignment, and a summary of their specific roles and responsibilities directly related to the cited outcomes, including senior leadership and reporting relationships, and estimated total time (in hours) spent in that role on that project or assignment, and any additional information that demonstrates relevant skills, experience and ability.



- c) References - The name and telephone number of an employer or client contact that can and will confirm the satisfactory performance and scope of the cited roles and responsibilities.

**Note:** The information provided in this part of the Proposal should not exceed **six (6) pages**.

#### ***C4.3 Suitability & Understanding of Business Environment Issues***

In this section of the Proposal, describe how the cited skills, qualifications and experience of the individual nominated as the Advisor, as described elsewhere in the Proposal, are particularly suitable to provide some or all of the Services described in this RFP.

In this section of the Proposal, Proponents should also demonstrate their understanding of the environment, key issues, considerations and risks that are integral to the satisfactory performance of the Services relative to the categories of Service cited in the Proponent's Summary of Experience, Resume, and List of Projects.

The "Suitability & Understanding of Business Environment Issues" section of the Proposal should not exceed **four (4) pages**.

#### ***C4.4 Corporate Affiliation & Conflict of Interest***

If the Advisor is currently affiliated with any legal entity that is likely to have a foreseeable business or professional interest in any of the areas set out in **A2 Scope of Services**; in this part of the Proposal, the Proponent should disclose that affiliation and describe how they intend to manage potential conflicts of interest on assignments requiring access to sensitive information.

#### ***C4.5 Price Envelope***

Include one (1) separate sealed price envelope as part of the Proposal. The sealed price envelope should be clearly labeled "**Price Envelope**" and show the **Proponent's name** and the **RFP Title**.

Inside the sealed price envelope, clearly specify the Hourly Rate for the nominated Advisor.

In accordance with **B3 Payment**, the Hourly or Daily Rates established at Contract commencement will remain firm during the initial two (2) year Contract Term. The Hourly or Daily Rates for the Extended Term, if any, will be subject to negotiation annually with all other contract terms remaining the same.

Hourly or Daily Rates quoted are to be in Canadian dollars and are to be exclusive of HST. The Province, including the Ministry, does pay HST on all applicable Services.

#### **NOTE:**

**PROPOSERS WISHING TO NOMINATE MORE THAN ONE PERSON AS AN ADVISOR ARE  
REQUIRED TO SUBMIT A SEPARATE PROPOSAL FOR EACH NOMINEE.**

## Henderson, Kim N PREM:EX

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**From:** Henderson, Kim N PREM:EX  
**Sent:** Tuesday, September 24, 2013 2:06 PM  
**To:** Foster, Doug FIN:EX  
**Subject:** Wage  
**Attachments:** Wage Terms of Reference.docx

Hi there. I am ready to send this confidentially to the firms we've discussed, Ernst and Young, KPMG, Grant Thornton.

Below is what I'd propose for the email out to them (I need the key contacts unless you'd prefer to send), let me know any other thoughts you have:

*As you likely are aware, government has released a terms of reference for the Core Review initiative. One of the objectives for core review is to ensure public sector wage levels are appropriate. Government is seeking a firm to prepare a report consistent with the terms of reference for the wage review attached. This terms of reference is to be kept confidential. Your firm is being sent this opportunity because you are a selected vendor on the Ministry of Finance Cross-Government Inventory of Business and Strategic Consultants list.*

*Please provide a proposal to me within 10 business days outlining:*

- *Knowledge and experience in this area;*
- *Capacity to complete the work within the timelines given;*
- *Total estimated price including billing rates.*

*You will note that the first objective specific to this review is to review trends within BC. Government will have detailed data to provide to your firm to assist in accomplishing this task.*



## **TERMS OF REFERENCE PUBLIC SECTOR WAGE COMPENSATION REVIEW**

The province will retain an external and independent firm to conduct an analysis on public sector compensation and provide recommendations to government. The context for this review is that government has stated its duty to be disciplined for taxpayers, control spending and balance the budget.

The objectives for this compensation review are as follows:

- Review trends in BC public sector executive, management and bargaining unit compensation in the broader public sector, including the public service, crown corporations and agencies and municipalities over the last eight years;
- Assess the current model for the setting of wage compensation mandates in the broader provincial public sector and make recommendations for improvement should improvements be needed; and
- Assess the current model for the setting of executive and management compensation in the public sector and make recommendations for improvement should improvements be needed.

The review must foremost respect the role of taxpayers as well as recognize the need for leadership and talent in the public sector to positively impact the effectiveness and productivity of public sector agencies.

A report will be provided to government by December 31, 2013. Recommendations will be considered by the Cabinet Working Group on Core Review. The report will be made public once decisions are reached by Cabinet.

**Henderson, Kim N PREM:EX**

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**From:** Henderson, Kim N PREM:EX  
**Sent:** Tuesday, October 8, 2013 2:48 PM  
**To:** Feulgen, Sabine FIN:EX  
**Cc:** Harrison, Kerri FIN:EX  
**Subject:** RE: PSEC

Thanks, appreciate you guys looking into this.

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**From:** Feulgen, Sabine FIN:EX  
**Sent:** Tuesday, October 8, 2013 2:39 PM  
**To:** Henderson, Kim N PREM:EX  
**Cc:** Harrison, Kerri FIN:EX  
**Subject:** PSEC

Hi Kim

S. 13

Thanks.

Sabine

phone: 250.356.5427  
email: [Sabine.Feulgen@gov.bc.ca](mailto:Sabine.Feulgen@gov.bc.ca)

---

**From:** Henderson, Kim N PREM:EX  
**Sent:** Thursday, October 3, 2013 11:04 AM  
**To:** Feulgen, Sabine FIN:EX  
**Cc:** Ty, Marie FIN:EX  
**Subject:** PSEC

S. 13

Thanks,  
Kim.

## Henderson, Kim N PREM:EX

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**From:** Greg D'Avignon <greg.davignon@bccbc.com>  
**Sent:** Friday, December 20, 2013 3:26 PM  
**To:** Henderson, Kim N PREM:EX  
**Subject:** RE: Introduction

Happy to help.

S. 22

S. 22 and talk to you in the New Year

### *Where Leaders Meet to Unlock British Columbia's Full Potential*



Business Council of  
British Columbia

**Greg D'Avignon**

PRESIDENT & CHIEF EXECUTIVE OFFICER

Suite 810  
1080 West Pender St  
Vancouver, BC  
V6E 3S7

D 604 696 6580  
F 604 684 7937  
greg.davignon@bccbc.com  
www.bccbc.com

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**From:** Henderson, Kim N PREM:EX [<mailto:Kim.Henderson@gov.bc.ca>]  
**Sent:** Friday, December 20, 2013 3:07 PM  
**To:** Greg D'Avignon  
**Subject:** Introduction

Hi Greg. Hope this note finds you well.

I wanted to give you a heads up that Doug Campbell and/or Kirsten Tisdale from E&Y will be in touch with you as we've engaged them to support us on one of the core review objectives around public sector compensation. We've asked them to look at trends in BC public sector executive, management and bargaining unit compensation in the broader public sector and to assess the current model for the setting of executive and management compensation in the public sector and make recommendations for improvement. I'm sure they will value your perspectives on this.

If you have any questions let me know.

Happy holidays.

Kim.





# Grant Thornton

An instinct for growth™

October 7, 2013

via email: kim.henderson@gov.bc.ca

Province of BC  
Ministry of Finance  
Office of the Deputy Minister  
PO Box 9417, Stn. Prov. Govt.  
Victoria, BC V8W 9V1

Grant Thornton LLP  
Suite 1600, Grant Thornton Place  
333 Seymour Street  
Vancouver, BC  
V6B 0A4  
T +1 604 687 2711  
F +1 604 685 6569  
www.GrantThornton.ca

Attention: Ms. Kim Henderson

Dear Ms. Henderson:

**Re: Public Sector Wage Compensation Review**

**Introduction**

Further to your request, we understand that the province is interested in having a professional services firm conduct an analysis of public sector compensation and provide recommendations to government for improvement should improvement or changes be deemed necessary.

This letter sets out our understanding of the due diligence required to effectively review public sector wage compensation plus sets out the consultant's relative expertise along with the estimated budget and timeline for the assignment.

Grant Thornton is the lead consulting firm for this assignment but will be supported by Western Compensation and Benefits Consultants.

**Background**

As stated in the July 31, 2013 News Release from the Ministry of Energy and Mines, one of the key objectives of the Core Review is to "ensure public-sector management wage levels are appropriate."

In addition, the scope of the Core Review is to include the mandates and program delivery models of all ministries, boards, commissions, crown agencies and the SUCH sector (schools, universities, colleges and hospitals).

**Scope of work**

Given government's mandate for the Core Services Review, the Public Sector Wage Compensation Review is a key element for this larger government initiative.

It is our understanding that the compensation review could touch 90+ organizations and 300,000 employees. In addition, the review must respect the role of taxpayers, and recognize

both the need for leadership and talent in the public sector as well as the competitive demand for key human resources.

As identified in the “terms of reference,” the objectives of the compensation review include:

- Review trends in BC public sector compensation over the last eight years and identify variances from the norm.
  - As part of our work program, we would compare historical trends for public sector entities and a select group of municipalities.
- Assess the current model for the setting of wage compensation mandates in the broader provincial public sector and make any appropriate recommendations for improvement.
  - As part of our work program, we would benchmark the model and results for other jurisdictions in Canada, against the current BC model.
- Assess the current model for the setting of executive and management compensation and make recommendations for improvement.
  - As part of our work program, we would benchmark the BC model and compensation levels against that of a select group of other jurisdictions.

A detailed work program for the assignment will be developed after an initial scoping exercise with your team.

### **Grant Thornton experience**

Grant Thornton’s consulting team has significant experience with public and private sector reviews, including compensation, especially for more senior level staff. A brief list of relevant project experience is provided below.

### **Selected review engagements**

- 1 Core service review – City of Abbotsford
  - which included a review of all department head/senior staff salaries
- 2 Department review – School District No. 36 (Surrey)
  - which included a review of work processes, job positions, compensation and other operational expenses
- 3 Core service review – City of Calgary
  - which included a detailed review of department processes and operating expenses, specifically focusing on compensation
- 4 Compensation review – private insurance company
  - which included both senior management and Board of Directors compensation



**Western Compensation & Benefits Consultants' experience**

Western Compensation & Benefits Consultants is an independent Canadian firm based in British Columbia and dedicated to providing a comprehensive range of compensation consulting services. The firm has served Canadian, US and UK clients in both the private and public sectors of the economy for over 30 years. WCBC assists clients in:

- Compensation Surveys and Analysis of Competitive Pay Levels;
- Total Compensation Valuation;
- Salary and Benefits Policies and Procedures;
- Incentive Pay Plans;
- Executive and Boards of Directors' Compensation; and,
- Compensation Governance Counsel and Seminars/Workshops on Executive and Employee Compensation.

The firm is a member of NORACS (North American Actuarial and Consulting Services), a group of actuarial, compensation and employee benefits consulting firms with offices throughout the United States, Mexico and the United Kingdom.

**Selected review engagements**

Examples of compensation consulting assistance provided to the Provincial Government, BC crown corporations and agencies, and BC municipalities are as follows:

**Provincial Government**

- Provided market benchmarking services to the BC Public Service Agency.
- Provided consulting services to the Public Sector Employers' Council, including executive compensation benchmarking, recommendations on selecting peer comparison organizations, and other compensation planning/management considerations.

**BC Crown Corporations**

- Directly or indirectly (through the Crown Corporation Employers Association) provided compensation consulting services to all of BC's major crown corporations/agencies.
- Types of consulting services provided include market benchmarking, valuation of total compensation, executive compensation, design of salary administration and incentive programs, job evaluation and performance management programs.
- Examples of BC crown corporation/agencies directly served by WCBC include ICBC, BC Lottery Corporation, BC Assessment Authority, BC Pavilion Corporation, BC Securities Commission, BC Utilities Commission, Community Living BC, Forestry Innovation Investment Ltd., Legal Services Society and Partnerships BC.

### BC Municipalities

- Provided compensation consulting services to over 20 BC municipalities and regional districts.
- Types of consulting services included market benchmarking, valuation of total compensation, executive compensation, Council/Mayor compensation, job evaluation, design of salary administration programs and benefits assistance.
- Examples of BC municipalities/regional districts served include Burnaby, Metro Vancouver (GVRD), Richmond, District of North Vancouver, City of North Vancouver, West Vancouver, Delta, Abbotsford, Maple Ridge, Mission, New Westminster and Campbell River.

### Capacity to complete the assignment

As set out in the terms of reference, a report needs to be submitted to government by December 31, 2013. Due to the tight time frame available to complete this study, the following will be key factors in meeting the deadline:

### Government

- An initial scoping exercise, with government, to ascertain which government organizations are critical for the review process.
- The detailed data for the trend and review process will be provided to the consultant within two weeks after the contract is awarded.
- The consultant will be engaged by October 15th, at the latest.

### Consultants

- The two consulting firms are each prepared to allocate up to three staff members to ensure that the work tasks are well planned and executed, within the required time frame.
- The consultants will focus on delivering a final product that provides value for money.

We are committed to delivering a high quality product within the time frame indicated by government.

### Total estimated price

Our estimated price to complete this assignment is \$ 21 which includes \$ 21 in professional fees and \$ 21 in expenses; this estimate excludes GST. This estimate is based on the following staff resources, hourly rates and total work effort:

	Total Hours	Hourly Rate	Total Fees
Partners (2)	150		-
Sr. Manager/Sr. Consultant (2)	200		-
Consultant (2)	300	\$ 21	-
	650		-

The staff allocated to this assignment include:

Grant Thornton	Western Compensation
<u>1</u>	
<u>2</u>	S. 22
<u>3</u>	

Short bios for S. 22 are attached as an appendix.

**Closing**

Thank you for the opportunity to bid on this important assignment and government initiative. We look forward to working with you again.

If there are any questions with regard to this submission, please contact either S. 22 or myself at your convenience.

Yours sincerely,

*Grant Thornton LLP*

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/aaw

c: Doug Foster

Pages 43 through 47 redacted for the following reasons:

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