

AMENDMENT 1
PHI ANSWERS TO BIDDERS QUESTIONS
INTERNATIONAL PEO RFP

<http://www.phi.org/work-with-us/rfps-vendor-requests/>

- 1) What kind of business contacts is PHI most interested in being connected with?

PHI Response: PHI does not have an exact list at this time as the demands from our funders are still being defined. Individual engagement needs will vary by country; however, from time to time, PHI anticipates we may need guidance or support identifying local service providers such as good conference room facilities, food vendors, local printers, etc. This is not considered evaluation criteria for the RFP.

- 2) Calculating three FTE's across 30 countries equates to a total of 90 FTE's. Is the 200 FTE figure a total of all individuals hired over the course of a five year program, meaning a country may go live more than once throughout the life cycle of the program?

PHI Response: Correct. A country may go live more than once throughout the period of performance of the contract. 200 is the total given for all TCN and CCN individuals over a 5 year period. Please note these numbers are given for illustrative purposes only in order to compare pricing across bidders. The PEO/EOR will not employ expatriates.

- 3) Is there an estimate at how many FTE's will be on the platform at any given time? Or peak time?

PHI Response: PHI does not yet have this determined; however please assume 90 is the peak number of CCN and TCN employees. Please use the total number of TCN and CCN employees provided for budgeting purposes in Section D(F) of the RFP. See also answer to question no. 2 above.

- 4) The acronym "PEO" is not recognized and/or accepted legally on a global scale because it implies co-employment from a legal standpoint, which most countries outside of CONUS do not accept. "EOR" (employer of record) is the legally recognized term for the services PHI is looking for. Upon award, will PHI be open to having "EOR" as the accepted verbiage to ensure compliance with global regulations?

PHI Response: Yes.

- 5) How many service partners are being considered?

PHI Response: PHI will engage in a services agreement with as many or as few firms as necessary to provide the services and country coverage we require.

- 6) The 2017 third-party audit is still being conducted because of a large quantity of entities globally and a recent spin-off of domestic business. Will a 2017 "profit & loss" report and/or 2016 audited statement suffice?

PHI Response: PHI no longer requires financial statements to be submitted as part of the RFP response. Please see revised RFP provided in Amendment 1 .

7) Will marketing materials attached as an Appendix count towards the 20 page limit?

PHI Response: Appendices do not count towards the 20 page limit.

8) Can PHI share potential position titles that will be staffed for this contract?

PHI Response: PHI does not have this information at this time.

9) I will need a few details from you in order to provide pricing. Those include:

- a. Countries of interest
- b. Number of employees in each country
- c. Salary for each employee (estimate)
- d. Job titles for each employee

PHI Response: Please refer to Attachment 1: RFP Page 5 for further details. Countries of interest were provided in the RFP on page 1.

10) please include which workers will be expats per country if applicable

PHI Response: PHI anticipates that 50% of the employees will be TCNs or CCNs; however for budgeting purposes of this RFP, please assume a total of 200 employees over the course of 5 years which are all either TCNs or CCNs that will be employed by the PEO/bidder. PHI will directly employ all expatriates; the PEO will provide EOR services for the TCNs and CCNs through a contract agreement that results from this RFP. PHI is not able to provide any further details or information at this time. Please see page 5 of the RFP for further pricing assumptions.

11) Could you please confirm that regardless of description (i.e. employee, contractor, fellow, intern or grantee) that you would like the EoR provider to treat them all as employees? There are some cases where they may fall under a pre-compliance assessed status of independent contractor (also known as self-employed workers) and in those cases, would you be open to contractual treatment in such a way, or do you wish all workers, regardless of their status description, to be treated as employees?

PHI Response: We anticipate the transaction of engagement for CCNs and TCNs in most instances to be one of employment; however, PHI is looking to the PEO/bidder to advise us on what is required in that particular country based on the engagement and the scope of work – comparing that against what local law requires, advising PHI what the various options are and then executing the engagement based on PHI's decision.

12) Please can you expand on your meanings of TCN (Third Country National) and CCN (Co-operating Country National). We tend to divide workers as 'Expatriates' (i.e. those that require a visa to work legally in the specific country) or 'Locals' (those that do not).

PHI Response: For purposes of this RFP, Expatriates refers to US citizens and/or US permanent residents; CCNs include local country nationals; TCNs refers to third country nationals (all others, e.g. Ugandan citizen goes to Zambia for 1 year).

- 13) With regards to assistance with background checks, we are able to provide background check screening, but please can you advise if you will also require us to undertake drugs screening (as these are separate services and processes)?

PHI Response: PHI does not anticipate requiring drug screening as a component of background check screening; however, the requirements will be dependent upon the individual labor laws in each country.

- 14) Regarding insurance coverage- employer and corporate insurances can vary in each country and some insurance applications and deductions can differ between local workers and expatriate workers. Whilst under section C, point 6 refers to foreign employees, would you also like us to cover insurances provided for local workers where applicable?

PHI Response: PHI expects the bidder to provide insurance (hold the policy and pay the local provider) to CCNs (and TCNs) where required by local labor law. In instances where the employment norm or cultural norm implies that the employer also provide other types of insurance which are not required by local labor laws, PHI expects the bidder to be able to provide that information and the cost implications to PHI so that we can make a decision as to whether or not we will offer it. If the bidder cannot offer that additional insurance directly, PHI expects the bidder to be able to refer PHI to a contact that can.

- 15) In section E – it requests a copy of our most recent audited financial statements... to supply such statements will be very time consuming. In addition, it is not a requirement in every jurisdiction to hold audited accounts. Depending on the type of frame agreement that is chosen (more details will be included in the proposal regarding such options), we are happy to provide proof of accounts as per local legislation, if we are chosen to proceed further. Is this acceptable to PHI?

PHI Response: Please See answer to Question No. 6 above.

- 16) We understand that you are looking at this RFP from 2 angles: those workers who are already employed by existing PHI entities (South Africa, India and Brazil) and those that will be newly on-boarded under the EoR model in the additional locations supported by government funding. Therefore, in order to provide sample salary/solutions simulations, would PHI be willing to provide the following:

- (a) An example of an existing worker(s)' gross monthly or annual salary (in either South Africa, India or Brazil) and we can then provide a like-for-like example of the cost of EoR on that salary in that country.

PHI Response: not at this time.

- (b) An example of an expected gross annual or monthly salary for both a local and expatriate in Kenya e.g. USD 25,000 gross annual salary for a local national; USD 40,000 gross annual salary for an expatriate. Alternatively, if you can

supply an example of the job title and duties, we can salary benchmark that for you and provide suggested figures based on that.

PHI Response: not at this time

- 17) Section H – 3 states that prices must be inclusive of all costs, including taxes and fees, in US dollars. Since many of our solutions require the worker to be paid in local currency, can you confirm that this means that PHI will only accept invoices (and make payment of those invoices) in USD? Is there also a preference towards receiving invoices from a US based company or are you comfortable receiving from any location?

PHI Response: PHI will only make payments in USD as PHI does not have the capacity to make payments in local currency in other countries. PHI will establish with the PEO an agreed upon and approved methodology for establishing the exchange rate(s) for USD payments.

- 18) If successful in the bid for this tender, could you indicate when you expect the work requirement to begin?

PHI Response: October 2018

- 19) Would it be possible for PHI to indicate preferred payment processes and timescales? We prefer to make and receive payments by bank transfer only and would like to know if this is acceptable.

PHI Response: yes, wire transfer is perfectly acceptable.

- 20) Will there be visibility of questions posed from other vendors and associated answers?

PHI Response: PHI has posted all questions received and the corresponding answers in this document.

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ATTACHMENT 1

Edits and Changes to the RFP are noted in Red

REQUEST FOR PROPOSALS (RFP): INTERNATIONAL PROFESSIONAL EMPLOYER ORGANIZATION (PEO)

A. Introduction and Purpose

The Public Health Institute (PHI) is a global leader in public health, dedicated to promoting health, well-being, and quality of life for people around the world through innovative solutions and collaborative partnerships. Additional information regarding PHI, PHI's programs, and funders may be found at <https://www.phi.org/>.

PHI is seeking proposals in response to this RFP from qualified firms to provide a full range of global employment solutions for our staffing and programs needs overseas. Through our awards with the US government as well as private donors, PHI regularly has a need to hire a range of positions from fellows to contractors to employees who are third country nationals (TCNs) and cooperating country nationals (CCNs) in countries where PHI is not registered.

B. Scope of Work

PHI works closely with the US government and private donors to increase the capacity of public health providers and institutions overseas and improve the global health workforce. For the past 50 years, PHI has long been recognized as a critical partner for emerging global health leaders and for our capacity to provide effective technical assistance and recruit niche and entry level global health professionals at a moment's notice. To this end, PHI is officially registered in three countries: South Africa, India, and Brazil; however, the needs of our programs now surpass our current institutional capacity to quickly hire staff in numerous countries around the world.

PHI needs a global professional employer organization (PEO) partner that enables PHI to legally engage one or more individuals in many countries throughout the developing world, sometimes simultaneously. From a legal, HR, and tax perspective, this partner should bring the capacity to hire employees, onboard staff, pay personnel **and process other non-employment transactions (e.g. rent payment or hotel conference room)** in local currency in Asia, Africa, Latin America, and the Middle East, including, but not limited to all or most of the following **illustrative** countries:

Afghanistan, Bangladesh, **Brazil**, Burma, Cambodia, China, D.R. Congo, Ethiopia, **India**, Indonesia, Jordan, Kazakhstan, Kyrgyzstan, Kenya, Malawi, Mozambique, Nigeria, Pakistan, Philippines, **South Africa**, Tajikistan, Tanzania, Thailand, Uganda, Ukraine, Uzbekistan, Vietnam, Zambia, and Zimbabwe¹.

¹ The total number of countries could change and the list above is illustrative for RFP evaluation purposes only

The employees will be managed by PHI on a day to day basis, where PHI maintains the substantive working relationship, makes all decisions on compensation, position duties, performance etc. but legally the individual(s) will be the employees of the selected bidder. The selected bidder will be responsible for all statutory, human resources, and payroll requirements as dictated by the local labor laws in each country for which PHI has a need to hire an employee, contractor, fellow, intern, or grantee.

Applicants should also be able to guide PHI in understanding the labor-related rules and regulations in every country and any upcoming changes, while being simultaneously responsible for ensuring that the engagement of CCNs and TCNs is compliant with local labor, tax, and related laws and regulations in each country. The applicant should be able to provide a range of international PEO and employer of record services including:

I. Project Management Support:

- Analysis, reports, and consulting services with respect to country entrance and exit parameters
- Anticipatory guidance on issues/needs based on each country's requirements
- Around the clock operations support
- Troubleshooting
- Templates readily available for locally compliant employment contracts
- A network of business contacts **for local services** in each country that will be made available to PHI if needed
- Assistance with background checks, work permits, and business visas
- Cultural consulting (e.g. advice on interviewing laws, etiquette, language, diversity, salary scales, etc.)
- Recommendations on competitive benefits packages—which include legal, regulatory, and statutory requirements as well as other **non-required benefits/insurance/allowances which are typically offered by** other international organizations and non-profits in country
- Strategic guidance and support regarding legal and compliance requirements to register a new entity in a country and/or maintain compliance with existing registrations in a country
- Host country staffing solutions and recruitment support **such as recommending popular local advertising venues for jobs**
- Other project management support, as necessary

II. Administration and Finance Support:

- Compliant on-boarding/off-boarding of TCNs and CCNs
- Processing local payroll
- Detailed payroll calculations including gross-to-net payroll calculations,
- Validating the integrity and reconciliation of the payrolls
- Pay slip distribution
- Local tax filings and payments
- Submitting reports to local authorities

- Production of bank and G/L files
- Fully consolidated financial reporting
- Year-end filings
- Benefits compliance
- Processing payments for in-country/local non-employment transactions (e.g. paying a hotel or local airplane ticket) – including maintaining backup documentation and transaction detail for these transactions per PHI’s Chart of Accounts.
- Other as necessary

In cases where the offeror does not directly provide a service outlined in the list above, offeror must indicate how they plan to offer those services to PHI.

C. Eligibility

Minimum Requirements and Qualifications for Participation in the RFP Process

PHI will accept and evaluate proposals only from bidders which meet all the following criteria and requirements:

- 1.) Offer global employer of record services in Asia, Africa, Latin America, and the Middle East.
- 2.) Offer capacity to make non-employment related payments in local currency in Asia, Africa, Latin America, and the Middle East.
- 3.) Significant experience working with nonprofits and/or fiscal sponsors. Additionally, PHI would consider it a plus if bidder’s portfolio of experience includes working with US government funds (especially USAID and the CDC) and the cycle of government funding. This is not a requirement for participation in the proposal process but will be a factor in PHI’s evaluation.
- 4.) Must not be listed as ineligible to receive federal funding on the following three websites:
 - a. System for Award Management (www.sam.gov)
 - b. Office of Foreign Assets Control (OFAC) Sanctions Lists, including the Specially Designated Nationals List (SDN) (<https://sanctionssearch.ofac.treas.gov/>); and
 - c. United Nations Security Council Consolidated Sanctions List (<https://www.un.org/sc/suborg/en/sanctions/un-sc-consolidated-list>).
- 5.) Professional English fluency for all staff who will interface with PHI.

D. Submission Requirements

The bidder’s proposal must provide a detailed response and supporting documentation, where requested, to each of the following areas:

A. Cover page

- Please include the name of your organization, address, and contact information.
- Please include the name, title, and contact information for an authorizing official.

B. Table of Contents

C. Company Information and Past Experience

- Provide a summary of your firm and its culture and a description of key staff proposed to be assigned to PHI's account (brochures and marketing materials may be included as an appendix but should not take the place of a brief written response) and how PHI's account would be managed. Include a description of your experience and expertise serving clients in the non-profit arena and clients funded by the US government (especially USAID and/or CDC), and a summary of what differentiates your firm from your competitors.
- Indicate the primary physical location from which you will be providing your services.
- Provide a summary or sample timeline of your hiring/employment process once PHI has identified the CCN candidate (bidders may choose to use Kenya as a reference country/example).
- Indicate how many countries your firm can legally provide PEO services –**which includes both EOR services and the capacity to process local non-employment payments or transactions.**
 - Provide a list of the current countries your firm can legally provide **the above** PEO services.
 - Provide a list of sanction countries where your firm currently does not and/or will not provide **the above** PEO services.
- Provide a summary of your experience within the last 12 months providing international employment solutions in Africa, Asia, Latin America, and the Middle East.
- Provide a description of the insurance coverage (non-benefit employee insurance) your company maintains for foreign employees (e.g. general liability, workers compensation etc.).
- Provide a description of the techniques, approaches, strategies, and methods your firm uses, including any unique qualifications or capabilities with regards to the services outlined in Section B above where the funder is the US government or donor community.

D. Services Description

- What is included in your proposed PEO services proposal?
- Are other services available a la carte? If so, please provide an overview.

E. Financial Capacity

- ~~• Provide a copy of your most recent audited financial statements as an annex to your proposal. Were there any findings? If so, please explain.~~
- Provide a summary of your firm's familiarity or experience with any of the following: 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,(5) Appendix II to Part 200 – Contract provisions for

Non-Federal Entity Contracts Under Federal Awards,(6) 2 CFR Part 700 USAID Supplement to Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

F. Fee Proposal

- Describe your proposed form of compensation for employer of record services (i.e., commission, annual retainer, fee-for-service).
 - In developing the compensation proposal, bidders should assume the following²:
 - Approximately 200 **TCN and CCN** employees over a 5 year period:
 - Each country has no more than 3 employees
 - Approximately 30 countries
 - Minimum period of performance for each employee is 1 year
 - **Employees constitute a combination of interns, entry-level, mid-level, and senior professionals**
 - Gross annual payroll of \$5,000,000 over a 5 year period (includes fringe benefits)
 - **Illustrative salaries for a CCN = \$40,000 (not including fringe benefits)**
 - **Illustrative salaries for a TCN = \$100,000 (not including USG allowances or fringe benefits)**
- Specify which services are included in this compensation and which services would require additional fees and/or be provided by a third party affiliate. Please provide as much detailed information as possible on any additional fees.
- **Please provide any notes for any additional assumptions from the bidder for budgeting purposes.**

G. Credentials

- Provide a signed statement certifying bidder fully meets all minimum qualifications outlined in Section C Eligibility.

H. References and Past Performance

- Provide references with contact information from a minimum of three clients who currently use bidder's PEO services. At least one of the clients must speak to the bidder's performance on federally funded programs.
- Bidders may submit three written client testimonials in lieu of contact information for current clients. Testimonials must address the following topics related to the bidder's:
 - i. Customer Service
 - ii. Responsiveness
 - iii. Capacity
 - iv. Value on fee for service
 - v. Experience on federally funded programs

² These figures have been provided for illustrative purposes only to ensure an equal cost evaluation across bidders.

I. Sample Materials

- Include sample materials that are representative of the support you provide your clients.

E. Proposal Format

In order for PHI to conduct the most efficient proposal evaluation, bidders are required to organize their proposals as noted below:

- A. Cover Page
- B. Table of Contents
- C. Company Information and Past Experience
- D. Services Description
- E. Financial Capacity
- F. Fee Proposal
- G. Credentials
- H. References
- I. Sample Materials

Proposals must be organized according to the submission requirements and proposal format above. Proposals must address all of the requirements in Sections B and D. Proposals must not exceed 20 pages, Times New Roman Font, size 12. Cover page, table of contents, ~~financial statements~~, and sample materials are not included in the page limitation.

Proposals which fail to address each of the submission requirements above may be deemed non-responsive and will not be further considered. Note that responses to RFP requirements must be specifically answered within the context of the submitted proposal. PHI's evaluation team will not refer to a designated website, brochure or other location for the requested information. Responses that use references to external materials as an answer will be considered non-responsive.

F. Submission of Proposals & Closing Time

Please submit proposals to: **Crystal Flexman, Special Project Manager**
Public Health Institute
1825 Bell Street, Suite 102
Sacramento, CA 95825
Email: crystal.flexman@phi.org

Proposals are due by: **August 22, 2018**
12:00 PM – Pacific Standard Time (PT)

- Proposals must be submitted via email by the date and time specified above. Bidders are permitted, but not required to submit hard copy proposals in addition to an

electronic submission. Hard copy proposals must arrive within two business days of the proposal due date.

- PHI encourages inquiries concerning this RFP. All questions pertaining to this RFP must be made via email to crystal.flexman@phi.org. Questions are due by 9:00 AM PT, **Friday August 3, 2018**.
- Bidders should retain a copy of their application and accompanying enclosures for their records.

G. Proposal Timeline and Evaluation

1. Proposal Timeline

PHI intends to follow the below timeline for review and award of this solicitation:

- Questions Due: August 3, 2018 9:00 AM (PT)
- Deadline for Submittal: August 22, 2018 12:00 PM (PT)
- Review of Proposals: August 27- September 7, 2018
- Interviews or Additional Questions Conducted: September 10-14, 2018
- International PEO Selected: September 17-28, 2018

2. Proposal Evaluation

PHI is committed to a transparent process of award and selection of an international PEO with the intention to secure the best possible solution(s) for PHI's ongoing needs while ensuring an optimal financial and operational outcome and the best value to our funders.

An evaluation team will review, in detail, all proposals received to determine the best value. Following the initial review and screening of the written proposals, using the selection criteria described below, bidder(s) will be invited to participate in the final selection process, which may include participation in an oral interview and or submission of any additional written information as requested by PHI.

The following evaluation criteria will be utilized to evaluate the proposals by an internal evaluation team from PHI to determine the best value. A bidder can receive a maximum of 100pts:

- A) Company Information and Past Experience (20%)
- B) PEO Service Country Presence: Including which Countries Bidder Offers PEO Services and Number of Countries Bidder Offers PEO Services (15%)
- C) Services (10%)
- D) Financial Capacity (5%)
- E) Fees (40%)
- F) Credentials (5%)

G) References (5%)

H. Solicitation Terms

1. Agreement

Subject to availability of funding, PHI intends to issue an exclusive cost reimbursable type agreement for a base period of up to five (5) years to the successful bidder from this procurement process. PHI reserves the right to issue one or more awards as a result of this RFP.

2. Discretion

PHI may, at its sole discretion and after the evaluation process, choose not to issue any agreement as a result of this process. PHI may also, at its sole discretion, choose to issue as many or as few agreements as deemed necessary to meet PHI's business needs.

3. Offers/Quotations

Prices must be inclusive of all costs, including taxes and fees, in US Dollars. Quotes and prices should remain valid for ninety (90) calendar days from proposal submission.

4. Proposal Costs

There is no reimbursement for costs associated with preparing or submission of proposals in response to this RFP or costs associated with possible award negotiation.