



**ADVANCE CONTRACT AWARD NOTICE (ACAN)**  
**Review of the compensation structure of the base pay salary for GR-01 to GR-10**  
**and GR-EX-01 to GR-EX-05**

## 1. Definition

An ACAN is a public notice indicating to the supplier community that a department or agency intends to award a contract for goods, services or construction to a pre-identified supplier, thereby allowing other suppliers to signal their interest in bidding, by submitting a statement of capabilities. If no supplier submits a statement of capabilities that meets the requirements set out in the ACAN, on or before the closing date stated in the ACAN, the contracting officer may then proceed with the award to the pre-identified supplier.

## 2. Background

The Natural Sciences and Engineering Research Council (NSERC) and the Social Sciences and Humanities Research Council of Canada (SSHRC) are federal research funding agencies that are part of the Industry Canada portfolio and work with its partners. NSERC and SSHRC have set out an agreement for the shared cost of common services (CASD) comprising of Human Resources, Information and Innovation Solutions and Finance and Awards Administration. The two Councils have joined efforts on the classification reform project and move to the same, new job evaluation systems. NSERC and SSHRC are using a customized version of the Hay Group job evaluation methodology based on 10 classification standards and one unique standard for all non-executive positions of NSERC/SSHRC and a compensation policy and structure that reflected an amalgam of the greater Public Service, Separate Employers, Academic institutions and the external market place. This pay structure provides a long-established job evaluation and classification system. The existence of CASD and the two separate employers that it supports, SSHRC and NSERC, means nothing provided to employees under the auspices of one employer is considered in isolation of the potential impact on the other employer.

## 3. Definition of Requirements

The Natural Sciences and Engineering Research Council of Canada (NSERC) and Social Sciences and Humanities Council (SSHRC) have a requirement to provide specialized services to complete a total compensation review to help illustrate any gaps relative to the market (s) of comparison, and in the context of base salary, as well as total cash compensation practice for all levels of classification (GR-1 to GR-EX-5). These services include: a review of the compensation structure of the base pay salary and job evaluation services if needed, and professional advice and support in modernizing the current pay structure.

The services must be provided by a professional, knowledgeable and accredited resource that is trained in the modified guide charts in use at the Agency and is familiar with the Agency's internal roles, benchmarks and customized executive and non-executive grade structures.

The agencies are committed to ensure fair and equitable compensation practices and to maintain competitive salaries. The last compensation review of the structure of the base pay salary for GR-01 to GR-10 and GR-EX-01 to GR-EX-05 was conducted in 2010. Since then, the agencies have worked hard to improve the work environment and employment opportunities. A recent employee survey confirms that progress is being made, but there is still a necessity to be competitive on total compensation in order to off-set the challenges in attracting and retaining talent. The goal of this review is to assist human resources and managers, during the budget cycle and collective bargaining, in determining if pay adjustments are necessary to address unjustified gaps in pay or issues relating to misalignment with market-based compensation levels (especially for areas in which compensation levels are changing), salary compression, or salary inversion for similarly situated employees, or gaps that may impact



recruitment or retention. In fact, both agencies mandate requests for collective bargaining must reflect the fact that, irrespective of its separate employer status, the agencies needs to address issues in retention and recruitment of its highly qualified workforce which has historically created considerable challenges within the Council for specific compensation issues as well as the need to support succession of the retiring senior officers and executives.

This support will ensure rapid, objective assessment of highly sensitive positions and those that would represent a conflict of interest for HR while balancing the workload of internal resources.

The following summarizes the compensation review services required:

#### Phase 1

1. To propose a work plan to meet the objectives of this initiative.
2. To validate elements of the Agencies' compensation philosophy to determine the approach to analyze the competitiveness of the Agencies' total cash compensation practice through a review of the overall base salary structure and incentive pay or the relative competitiveness of base salary and incentive pay practice will be tested on a selection of benchmark positions.
3. To conduct a detailed market analysis which will provide insights and preliminary recommendations for addressing gaps or issues identified based on a considerable compensation database analysis including Broader Public Sector which includes Core Public Administration, organizations from all levels of government, as well as separate employers, Crown and Agencies, Universities. The use of a custom survey in addition to market data could be considered only if desired by the agencies.
4. To develop base salary structure options with costing considerations to align desired market position area with the agencies 'compensation philosophy.
5. To make recommendations for fine-tuning the Agencies' grade structure that may help to strengthen talent management considerations in the future.
6. To prepare a report detailing results and recommendations to internal audience/ stakeholder.
7. To ensure recommendations fit in the established grade structure or provide advice to any need requiring market fine-tuning to the established grade structure. This could lead to a second phase of this contract.

In addition to the review of the compensation structure of the base pay salary for employees from GR-01 to GR-10 and GR-EX-01 to GR-EX-05, the contractor may be required to provide advice/recommendations to making changes to the established classification grade structure and would work with client to implement these as required.

#### **4. Criteria for assessment of the Statement of Capabilities (Minimum Essential Requirements)**

Any interested supplier must demonstrate by way of a statement of capabilities that it meets the following requirements. The Contractor must possess and have knowledge and understanding of;

- Intellectual property rights for use of the data market for reviewing and updating salary structure;
- the customized version of the Hay Group job evaluation methodology, creating a 10-level grade structure and establishing a new compensation policy that reflected an amalgam of the greater Public Service, Separate Employers, Academic institutions and the external market place.
- the benchmark evaluation positions, ratings and rationales that serve as the evaluation standard for NSERC & SSHRC;
- Outstanding issues and challenges emanating from the previous compensation review in 2010, for all non-executive positions in order to advise on solutions and best practices.



## 5. Applicability of the trade agreement(s) to the procurement

N/A

## 6. Justification for the Pre-Identified Supplier

Korn Ferry (Hay Group) Group is the creator of the Korn Ferry (Hay Group) Group Guide Chart Profile Method (the Methodology), and the intellectual property in the Methodology is owned by the firm. NSERC is licensed to use the Methodology to assist with the evaluation and classification of positions in the organization, but has no right to transfer that license to any third party or to use the Methodology outside of the organization.

Korn Ferry (Hay Group) Group has exclusive ownership for training organizations and individuals on the Korn Ferry (Hay Group) Method of job evaluation. No other individual or consulting firm may offer this service. Korn Ferry (Hay Group) also has exclusive rights for developing benchmark positions using the Korn Ferry (Hay Group) Method of job evaluation. While others may evaluate EX jobs within the Canadian Federal Public Service, they may not evaluate jobs for which benchmarks have not been developed by Korn Ferry (Hay Group). As NSERC has its own classification standard (GR), and is not consistent with any of the classifications within the federal government, NSERC must work with Korn Ferry (Hay Group) to develop new benchmark positions.

As a result of the most recent federal budget, a level of anticipated growth is expected within NSERC and SSHRC. Furthermore, one of the agency and a number of collective agreements in the Core Public Administration has been successfully and only recently negotiated. More broadly speaking, the Canadian Research Coordination Committee is working to advance more cohesive approaches across certain strategic human resource-related matters, including gender equity and Indigenous files, and there is some thinking that there may be an interest in creating some degree of harmonization in future approaches to compensation management. With the evolving of the agencies and the marketplace, there is a need to test the overall competitiveness of the Councils' cash compensation position to ensure ongoing recruitment and retention capability.

The last completed total compensation review at the agencies occurred over six years ago. At the time, data were sourced from our compensation databases and in the context of the Councils' markets of comparison.

The Hay experts are uniquely positioned to assist us in the work to be done for GR-01 to GR-10 and GR-EX-01 to GR-EX-05 as they implemented a new classification plan, grade structure and compensation structure for all non-executive positions a decade ago. This included implementing a customized version of the Hay Group job evaluation methodology, creating a 10-level grade structure and establishing a new compensation policy that reflected an amalgam of the greater Public Service, Separate Employers, Academic institutions and the external market place. From time to time, Hay Group has been used to assist with on-going training in this methodology and with ad hoc job evaluation. Hay Group's compensation data have served as the basis for testing the agencies' in the past (i.e.: last study was six years ago) and is well positioned and equipped to advise on the on-going validity of the agencies' current grade structure, as well as its cash compensation offering.

Furthermore, Hay Group possesses extensive experience in providing assistance to a broad range of separate employers, crown corporations and federal agencies in all aspect of compensation. Hay Group's compensation databases are some of the best in the industry, and our Canadian Broader Public Sector



database which includes data from over 200 employers. This market of comparison/database is used extensively by majority of organizations in the national capital region for work of this nature.

In that context, the Hay Group is the only supplier that can provide the above services to help the agencies to make total cash compensation review and to offer a deep understanding of the issues associated with conducting an assessment of this nature. Hay group is also well-known to both agencies for its commitment to client success and for delivering high quality work within timelines.

## **7. Government Contracts Regulations Exception(s)**

The following exception to the Government Contracts Regulations is invoked for this procurement under subsection:

*subsection 6(d) - "only one person is capable of performing the work"*

## **8. Exclusions and/or Limited Tendering Reasons**

The following exclusion(s) and/or limited tendering reasons are invoked *under the section of the trade agreement(s) specified:*

- Subject to NAFTA - 1016.2(b) - where, for works of art, or for reasons connected with the protection of patents, copyrights or other exclusive rights, or proprietary information or where there is an absence of competition for technical reasons, the goods or services can be supplied only by a particular supplier and no reasonable alternative or substitute exists;

## **9. Title to Intellectual property**

Ownership of any Foreground Intellectual Property arising out of the proposed contract will vest in the Contractor.

## **10. Contract Period**

The proposed contract period is for one year **from July 2018 to June 30, 2019.**

The Contractor grants to Canada the irrevocable option to extend the term of the Contract by up to two **(2)** additional one **(1)** year periods under the same terms and conditions. The Contractor agrees that, during the extended period of the Contract, it will be paid in accordance with the applicable provisions set out in the Basis of Payment.

## **11. A cost estimate of the proposed contract**

The estimated value of the contract, including option periods is **\$75,000** (HST extra).

## **12. Name and Address of the Proposed Contractor**

Korn Ferry (Hay Group) Group Ltd.  
81 Metcalfe Street, Suite 1200,  
Ottawa, ON K1P 6K7

## **13. Suppliers' right to submit a statement of capabilities**



Suppliers who consider themselves fully qualified and available to provide the services/goods described herein, may submit a Statement of Capabilities in writing, preferably by e-mail, to the contact person identified in this Notice on or before the closing date and time of this Notice. The Statement of Capabilities must clearly demonstrate how the supplier meets the advertised requirements.

**14. The closing date for a submission of a statement of capabilities.**

The closing date for a submission of a Statement of Capabilities is Thursday July 19, 2018 at 2:00pm (EST).

**15. Inquiries and submission of statements of capabilities**

Inquiries and statements of capabilities are to be directed to:

Theresa Mc Donald  
Natural Sciences and Engineering Council of Canada  
350 Albert St, Ottawa, ON K1A 1H5  
Telephone: 613-992-4518  
Email: [Tenders@nserc-crsng.gc.ca](mailto:Tenders@nserc-crsng.gc.ca)