

UNIVERSITY OF HAWAII NOTICE OF EXEMPTION CHAPTER 103D, HRS

The President, University of Hawaii, is in the process of reviewing the request from
Office of Equity Assurance, University of Hawaii System (Department/Campus)

for exemption from Chapter 103D, HRS, for the following goods and services:

Provide services to assist the University in conducting a compensation analysis for various positions within the University of Hawaii System.

Vendor: Hawaii Employers Council
(If known)

Address:

P.O. Box 29699
Honolulu, Hawaii 96820

Term of Contract:
(If known)

From: To be determined

To: To be determined

Cost: \$165.00 per hour,
\$30,000.00 total (est.)

Direct any inquiries to:

Department: Office of Equity Assurance, University of Hawaii System

Contact Name/Title: Tamami Mohandie, Institutional Analyst

Address: 1960 East-West Road, Biomed T-311
Honolulu, Hawaii 96822

Phone Number:
(808) 956-2907

Fax Number:
(808) 956-5804

Date Posted: September 20, 2023

Submit written objections to this notice to issue an exemption from Chapter 103D, HRS, within seven (7) calendar days from the date posted to:

Office of Procurement Management
1400 Lower Campus Road, Room 15
Honolulu, Hawai'i 96822
email: OPM@hawaii.edu

REQUEST FOR EXEMPTION FROM CHAPTER 103D, HRS

TO: OFFICE OF PROCUREMENT MANAGEMENT

FROM: Office of Equity Assurance, University of Hawaii System
(Department/Program)

Pursuant to APM Section A8.220, the Department requests a procurement exemption to purchase the following:

Description of goods, services, or construction:

Provide services to assist the University in conducting a compensation analysis for various positions within the University of Hawaii System.

See attached.

Estimated Cost: \$ See attached.

(1) Explanation describing how procurement by standard competitive means is either not practicable or not advantageous to the University;

See attached.

(2) Details of the process or procedures to be followed in selecting the vendor to ensure as fair and open competition as practicable;

See attached.

(3) A description of the Department's internal controls and approval requirements for the exempted procurement; and
See attached.

(4) A list of Department personnel, by position title, who will be involved in the approval process and administration of the contract:
See attached.

Direct questions to: Tamami Mohandie Phone: (808) 956-2907


I CERTIFY THAT THE INFORMATION PROVIDED ABOVE IS TO THE BEST OF MY KNOWLEDGE, TRUE AND CORRECT.

Jennifer Rose, Executive Director, Office of Equity Assurance

Full Name of Principal Investigator, Department Head, or Administrator

Blanche Fountain, Director, System Administrative Services

Full Name of Fiscal Administrator


Signature 9/19/23
Date

Blanche Fountain Digitally signed by Blanche Fountain
Date: 2023.09.20 11:35:56 -10'00'
Signature 09/20/23
Date

APPROVED:
Kevin Ishida, Interim Associate Vice President for Administration
Full Name of Vice President or Chancellor

Kevin Ishida Digitally signed by Kevin Ishida
Date: 2023.09.20 14:14:10 -10'00'
Signature 09/20/23
Date

FOR OPM USE ONLY

OPM COMMENTS:

_____ APPROVED _____ DENIED

**REQUEST FOR EXEMPTION FROM CHAPTER 103D, HRS
PROVIDE A COMPENSATION ANALYSIS
FOR THE UNIVERSITY OF HAWAII**

Description of goods, services, or construction:

Provide services to assist the University in conducting a compensation analysis for various positions within the University of Hawaii System ("University"). Services shall include but not be limited to the following:

- A. Market data analysis for approximately 75 positions and approximately 204 employees.
- B. Conduct a study that takes into consideration the nuances of a higher education System organization that is comprised of distinct university and college organizational and operating models, each reflecting distinct industry standards and unique institutional requirements.
- C. Match the positions studied to survey benchmark jobs to assist the University in reviewing:
 - 1. Market competitiveness (market changes);
 - 2. Changes in jobs;
 - 3. Internal equity amongst jobs; and
 - 4. Revision of the salary structures as needed.
- D. Provide market data outcomes to assist the University with business decisions in reference to base salaries.
- E. Based on the market data analysis conducted, assist the University with enhancement considerations to the current compensation structures.

Estimated Cost: \$165.00 per hour, \$30,000.00 total (estimated)

(1) Explanation describing how procurement by standard competitive means is not practicable or not advantageous to the University.

There are many challenges with executing and preparing a compensation analysis for a multi-campus public University. The University is comprised of ten campuses, including three four-year Universities, seven community colleges, and multiple educational, training and research centers with varying student enrollment. Although each of the campuses may have similar position types (e.g. a Director of a departmental unit), the individual position descriptions will vary and are not necessarily standard throughout the University system. This is in part due to the fact that some campuses are four year campuses as opposed to two year community colleges. In addition, enrollment size of a campus may also play a factor in determining compensation amounts.

Although compensation comparisons could possibly be made with other public higher education institutions within the United States, the geographic location of the University

and the higher cost of living in the State of Hawaii are important factors to consider in completing an accurate compensation analysis for University employees.

For the reasons stated above, standard competitive means (i.e. small purchase, invitation for bids, requests for proposals) is not practicable or advantageous to the University for these services. Because of the wide range of positions and descriptions within the University, it would be nearly impossible to create a comprehensive set of specifications to cover all of the position types. In addition, although position descriptions may be similar, as mentioned previously, the campus enrollment size is another determining factor of an employee's salary and enrollment size fluctuates from year to year.

The University had considered conducting its own compensation analysis. However, it was ultimately determined that there was a need to hire an outside firm that has experience in preparing compensation analyses that could also provide an objective perspective to the analysis. Lastly, experience with public higher education salaries in conjunction with knowledge of the job market in Hawaii is critical for this analysis.

(2) Details of the process or procedures to be followed in selecting the vendor to ensure as fair and open competitions as practicable.

The University reviewed and researched potential firms that have the experience needed to perform the compensation analysis required. Based on this research, the University has determined that the Hawaii Employers Council ("HEC") would be able to provide the best and most comprehensive compensation analysis required by the University.

HEC was established in Hawaii in 1943 with 70 charter members initially. Presently, HEC's members have grown to over 800 companies within Hawaii. HEC's primary focus is labor relations however, HEC can also provide guidance on building employee performance, wage and hour laws, discrimination, harassment, etc., as well as keeping its members informed of changes to the law and updates to employment issues.

The University is a long standing member of HEC. As a result, HEC has an understanding of University and its structure and has the experience to conduct a comprehensive compensation analysis for the University. HEC has the ability to review market data within the State of Hawaii and create compensation programs and structures unique to businesses in Hawaii. Furthermore, HEC conducts and publishes comprehensive surveys for Hawaii based organizations. From these surveys, HEC collects pay and benefit information directly from participating organizations and provides a variety of local and national wage benefits and results. This data is proprietary and unique to HEC. With this proprietary data, HEC will be able to match University positions reviewed to survey benchmark jobs to determine market competitiveness, changes in positions, internal equity among the positions, and if the salary structures of the University needs revisions.

(3) A description of the Department's internal controls and approval requirements for the exempted procurement.

The Office of the Vice President for Administration and Office of Procurement Management will assist in reviewing and executing an agreement for the services required. Key personnel from the Office of Equity Assurance will be responsible for managing and overseeing the work of the firm as well as ensuring that that the firm

adheres to the time schedule set forth in the agreement. Lastly, all expenditures made under the agreement will be subject to review and approval, and will be processed in conformity with the University's policies and procedures.

(4) A list of Department personnel, by position title, who will be involved in the approval process and administration of the contract

Jan Gouveia, Office of the Vice President for Administration
Jennifer Rose, Executive Director, Office of Equity Assurance
Tamami Mohandie, Institutional Analyst, Office of Equity Assurance
Blanche Fountain, System Administrative Services
Karlee Hisashima, Office of Procurement Management