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**Response to the Human Resources Structure
Consultant RFP**

2009-0200-8355

for the



**State of Alaska
Department of Administration
Division of Administrative Services**

EquaTerra
700 Twelfth Street, NW
Suite 700
Washington, DC 20005

April 7, 2009

Technical Proposal - Original



State of Alaska
Department of Administration
Division of Administrative Services

Request for Proposal for
A Human Resources Structure Consultant
2009-0200-8355

April 7, 2009

EquaTerra
700 Twelfth Street, NW
Washington, DC 20005

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A. Introduction

April 7, 2009

Ms. Staci Augustus
Department of Administration
Division of Administrative Services
State Office Building, 10th Floor
333 Willoughby Ave.
Juneau, AK 99801

RFP Number: 2009-0200-8355

Dear Ms. Augustus:

We appreciate the opportunity to present our response to your request for a proposal to have a consultant perform a comprehensive study of your statewide human resource structure. EquaTerra serves as an unbiased, independent advisor to its clients, helping them to become more effective and efficient in their business support operations, including human resources (HR), finance and budgeting, information technology and procurement.

EquaTerra is a global company with our headquarters located in Houston, Texas and branch offices in Europe and Asia. We are a virtual company with consultants located in many locations across the U.S. and internationally and our usual delivery method is to be on site at the client's location. We have been in business for six years and we currently employ more than 325 people.

EquaTerra holds a valid Alaska Business License, which is provided in Appendix A of this proposal. Additionally, neither EquaTerra, Inc. nor the resources proposed on this project have any potential conflicts of interest with the State of Alaska.

The location of our corporate headquarters is: Three Riverway, Suite 1290, Houston, TX 77056. EquaTerra has a dedicated public sector practice and the location of our principal place of business for the public sector is: EquaTerra, Inc., 700 12th Street, N.W., Suite 700, Washington, DC 20005. We recognize the different economic and socio-political characteristics of governments and other public sector organizations. And while other advisors serve public sector clients, we have a practice solely focused on helping our government and other not-for-profit clients become higher-performing organizations.

As you will find in reviewing our proposal, we have a great deal of expertise in performing HR assessments in the public sector and have a complement of advisors with high-level experience as in-house practitioners, service providers, HR information technology vendors, and consultants in the state government arena. This, coupled with our expertise in the commercial sector, gives us a broad base of insights and comparison (benchmark) data from which to draw upon as we work with our clients to address their issues.

We believe EquaTerra is uniquely qualified to provide superior support to the State because:

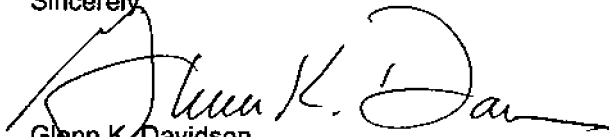
- » Since our establishment, EquaTerra has performed similar work for hundreds of organizations, among the more notable being American Airlines, Unilever, DuPont, Whirlpool, and Gap.

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- » We have a dedicated public sector practice that has performed similar work for such organizations as the Commonwealth of Pennsylvania, the State of Florida, the Environmental Protection Agency, the Federal Bureau of Investigation, the Los Angeles Unified School District, Ohio's Cuyahoga County, the US Air Force, and the US Agency for International Development
- » We are truly independent in thought and in action. We are neither technology vendors nor service providers; therefore, we are completely objective in our analysis and recommendations.
- » Because our sole focus is on service delivery efficiency and effectiveness, we are absolutely agnostic in our recommendation of a solution.
- » Our approach is highly collaborative. We don't believe we have all the answers. But we do work closely with our clients – bringing to bear our vast experience, proven tools, and substantial knowledge of the marketplace – in devising the best solution.
- » In part, because of our published research and writings on the topic of HR strategy and service delivery excellence, we are widely acknowledged as thought leaders in the HR community.
- » Our HR advisors average 20+ years of experience. Most all of them have led the HR function in major organizations and are experts in every HR process and sub-process.

In the following pages, we hope to demonstrate why we are well equipped and best suited to support the State of Alaska in conducting this organizational study in a manner that will yield the desired results. We will comply with terms of the RFP and we acknowledge receipt of any addenda that may have been issued by the State.

Sincerely,



Glenn K. Davidson
Managing Director, Public Sector
700 Twelfth Street, NW, Suite 700
Washington, DC 20005
202.904.2311 (Office Phone)

B. Understanding of the Project

Prior to 2003, The State of Alaska had a decentralized HR service delivery model with overall policy and procedures for HR programs and services created and administered by the Department of Administration, Division of Personnel. The implementation of those HR programs/services and day-to-day operations were delivered by HR offices which were part of the department they provided services for. As such, they were part of that department and reported up through that departments' chain of command.

In 2003, the decision was made to centralize all HR Operations for the state to: standardize HR policies and practices within the executive branch; increase operational efficiency and reduce administration costs. HR staff was then grouped into program areas (classifications, employee services, etc.). Technical and management services were further divided into five service center groups that provided those services to "communities of interest."

In 2007, a review of the centralized model showed that there were some issues around communication and integration of services which manifested themselves as increased frustration of internal and external stakeholders, errors in information dissemination, and tasks "falling between the cracks." As a result, the state has implemented some adjustments to the centralized delivery model which are still in effect today. It is also understood that the centralization effort was done without much input from stakeholders and, as such, many still harbor bad feelings about the move from decentralization to a more centralized HR delivery model.

The State is now seeking an experienced, unbiased consultant to perform an analysis of the State's current HR organizational structure and service delivery system to determine what aspects of the current model are working well and where improvements can be made. The State is asking that the consultant perform the work during the time period beginning May 1, 2009 and ending on July 10, with the final report delivered on July 6, 2009. It is understood that no additional FTEs are to be added to the current HR complement and that any recommendations made will have that as a constraint.

On the following page we have documented what we believe to be the State's current organizational structure and have attempted to summarize the products and services that are delivered through this organizational structure. We will use this chart as a starting point for developing our work plan and approach to this engagement.

We understand your project objectives and believe that our recommended approach will deliver the results you are seeking. You want to:

- » Assess the efficiency and effectiveness of the current statewide human resource structure;
- » Gain a better understanding of the perspectives that leadership in the agencies and in the Division of Personnel can provide to this evaluation;
- » Gather data from the "front line" around how they perceive the current quality of services delivered and the relevancy of those services;
- » Have an external perspective that can help you evaluate viable options that will improve service delivery efficiency and effectiveness while maintaining current staffing levels;
- » Ensure that any recommended organizational changes are based upon a sound analysis and backed up by appropriate best practice and benchmark data; and
- » Develop a recommended "future state" optimized organizational structure that will have measureable (positive) impact on the quality of delivered services. [This will include specific recommendations related to what services are delivered centrally and what services are best delivered at the local level.]

Because we have worked extensively on developing HR organizational strategies and associated service delivery models, we know that the following factors will contribute greatly to the success of any recommended changes to the current structure:

- » A clear alignment with any recommended organizational changes to the overall mission and vision of the State of Alaska;
- » The degree to which key stakeholders contribute their input to the overall change process;
- » The degree to which the organizational structure is evaluated in terms of the delivery of essential products and services from the customer/employee perspective;
- » The degree to which there is a structured approach around evaluating core services in terms of their underlying processes recognizing that process maturity drives effective service delivery; and
- » The degree to which there is supporting technology that will allow give processes or services to be delivered centrally or on a decentralized delivery model.

EquaTerra is a market leader in delivering business support-related advisory services. We have won multiple awards – from respected publications as well as industry and professional associations – for our prowess, top-notch work and commitment to our client. Furthermore, because of our published papers and presentations, we are widely acknowledged as thought leaders in finance, human resources and information technology – both in the commercial and public sectors.

For this particular engagement, we have put together an exceptional team. It includes:

- » Jim Farrell – a Client Executive with EquaTerra's public sector practice and Former Chief Human Resource Officer for the State of Michigan. Jim spent over 19 years in state government HR in a variety of capacities, including Director of HR for the Michigan Department of Transportation as well as several executive positions within the State's Central Personnel Agency. Jim performed organizational analysis within state government and led several HR transformations, including the implementation of an award-winning HR shared services center for the State of Michigan, as well as, successfully implementing Governor Granholm's Executive Order to consolidate all HR operations under the central personnel department. While at EquaTerra, he has been involved in similar work with the Commonwealth of Pennsylvania, State of Florida, and the Los Angeles Unified School District.
- » Ken Millen – a Senior Advisor with EquaTerra's public sector practice, the former director of Sears' HR shared services center, an HR consultant with Watson Wyatt, and the head of Human Resources

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for Dun & Bradstreet Software. Ken has completed similar projects at the State of Florida, the Federal Bureau of Investigation and at the District of Columbia. He is also involved in ongoing work with the United States Air Force and with the Commonwealth of Pennsylvania.

Together, these two individuals have over 65 years of relevant, professional HR experience.

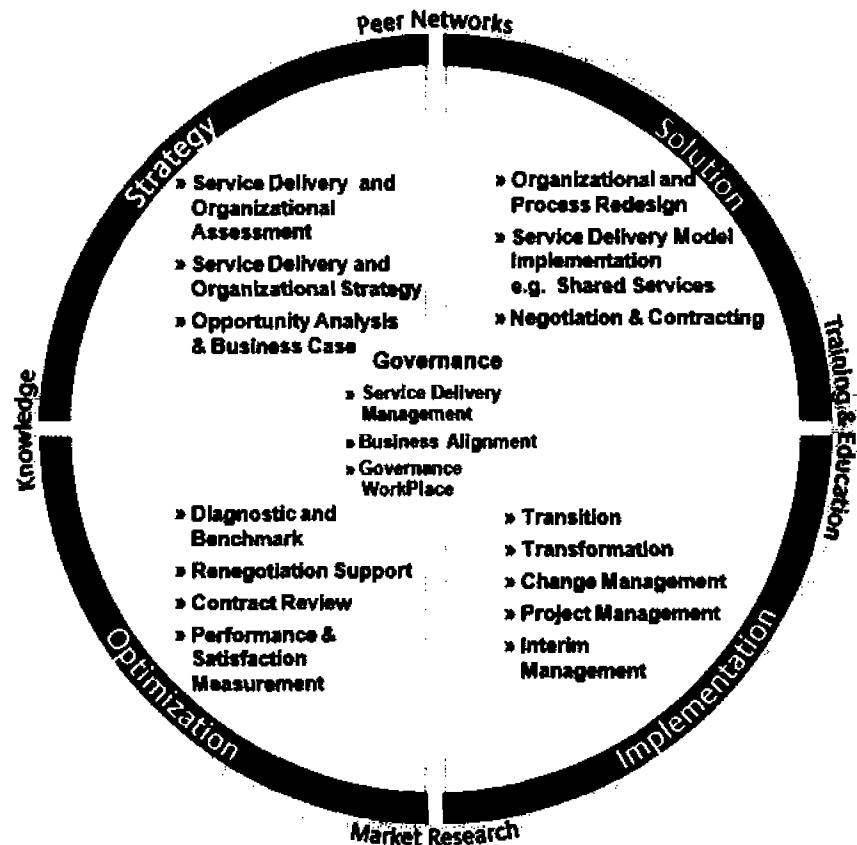
C. Methodology

EquaTerra Methodology Overview

EquaTerra's proven approach and robust methodology aligns with the four primary phases that organizations typically navigate when transforming business support services such as those delivered by the state of Alaska's Division of Personnel and Labor Relations: *Strategy and Assessment, Solution, Implementation, and Optimization.*

The following chart illustrates our methodology at a high level:

- » The Service Delivery Lifecycle is a complex journey that requires meticulous planning, solution definition and rigorous implementation control and optimization to enable full value from the arrangements. EquaTerra's methodology operates across the lifecycle.
- » We apply our knowledge and experience to your unique situation to define an approach that works for your organization, focused on delivering against your desired business outcomes.



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While our methodology covers a broad range of tasks across the complete spectrum of business support functions, our response for this project is confined to the use of our Phase I methodology which focuses around the critical areas of strategy and assessment. Our work on this project will culminate with the identification of efficiencies and deficiencies in your current organizational structure and recommendation changes to maximize efficiencies and improve the quality of delivered services. The following paragraphs outline how we are proposing to leverage our proven methodology to deliver the specific results outlined in the State's Request for Proposal.

Week Starting Date	5/4	5/11	5/18	5/25	6/1	6/8	6/15	6/22	6/29	7/6
Strategy & Assessment Phase Stages	Stage 1	Stage 2			Stage 3			Stage 4		Stage 5

Stage 1 – Prepare and Define (approximately one week in length)

During this stage of the project, we focus on ensuring that the overall objectives of the project are well understood and that there is alignment with the broader strategies of the organization. We develop the overall project framework, project governance model, decision processes and any required communications plan.

Outcome of Stage 1

A successful project launch.

Week Starting Date	5/4	5/11	5/18	5/25	6/1	6/8	6/15	6/22	6/29	7/6
Strategy & Assessment Phase Stages	Stage 1	Stage 2			Stage 3			Stage 4		Stage 5

Stage 2 – Assess Current Delivery (approximately three weeks in length)

During this stage of the project we focus on data gathering, baseline and comparative assessments of service delivery efficiency, stakeholder alignment and any potential quick hits and/or early wins.

Outcome of Stage 2

A clear understanding around the efficiencies and deficiencies of the current centralized organizational structure based upon stakeholder interviews, baseline data collection, best practice analysis, process maturity assessment, and internal and external comparative analysis.

Week Starting Date	5/4	5/11	5/18	5/25	6/1	6/8	6/15	6/22	6/29	7/6
Strategy & Assessment Phase Stages	Stage 1	Stage 2			Stage 3			Stage 4		Stage 5

Stage 3 – Define Future Delivery Options and Optimal Organizational Structures (approximately three weeks in length)

During this stage of the project we focus on the development of two-to-three service delivery model options aligned around two-to-three organizational structures that would support the recommended models. We also develop some external perspectives built around our work with similar organizations and conduct a risk assessment of the developed alternatives.

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Outcome of Stage 3

Development of the **Preliminary Report** as outlined in your Request for Proposal. In addition to identifying efficiencies and deficiencies with your current structure, this report will outline recommended changes to the current structure that will drive desired efficiencies. These recommendations will be supported by the data collected in Stage 2 and the analysis done in this stage of the project and will include risk/change strategies and alignment with best practices.

Week Starting Date	5/4	5/11	5/18	5/25	6/1	6/8	6/15	6/22	6/29	7/6
Strategy & Assessment Phase Stages	Stage 1	Stage 2			Stage 3			Stage 4		Stage 5

Stage 4 – Develop Strategy (approximately two weeks in length)

During this stage of the project we focus on the development of a recommended organizational strategy and service delivery model that will most improve the quality of services delivered by the Division of Personnel and Labor Relations. We also focus on strategies around governance of the new organizational model, change management and communications planning activities and risk mitigation strategies. The work in this stage culminates with the delivery of a high-level business case ensuring that the new strategy is aligned with the requirement to stay within current costs and staffing levels.

Outcome of Stage 4

Development of the **Executive Summary** as outlined in your Request for Proposal. Working collaboratively with the core project team, the summary will illustrate the results of the review including the linkages between the collected data, the strategy recommended, and expected results (in terms of desired efficiencies). It will also clearly outline our recommended “future state” organizational structure and service delivery model.

Week Starting Date	5/4	5/11	5/18	5/25	6/1	6/8	6/15	6/22	6/29	7/6
Strategy & Assessment Phase Stages	Stage 1	Stage 2			Stage 3			Stage 4		Stage 5

Stage 5 – Plan & Align (approximately one week in length)

During this stage of the project we focus on the development of an implementation roadmap – usually consisting of implementation phases / sequencing of activities that will take the organization from the current state to the desired future state. We also develop the needed materials (including required quantitative and qualitative analysis) that will be required to gain executive alignment with the recommended strategic actions.

Outcome of Stage 5

Development of the **Final Report** as outlined in your request for proposal.

D. Management Plan

HR organizational assessments, such as the project described in this RFP, are a core competency of EquaTerra, as we have performed many in both public and private sector organizations. In so doing, we have developed a strong methodology, tool sets, and benchmarks against which to compare organizations. Additionally, we bring highly experienced and talented advisors with varying backgrounds to bear on these assessments. Our advisors not only come with years of experience in HR consulting industry, many of them have been responsible and accountable for implementing internal HR transformations in their own organizations. Furthermore, a good many of our people have worked for service providers and technology vendors. We firmly believe that these varied experiences and perspectives allow us to provide our clients with the kind of valuable insight and analysis that they would not receive elsewhere in the market.

We understand that the Division of Personnel and Labor Relations wants to deliver high quality services to the employees of the state of Alaska and to the agencies that they represent. We also understand that you want to do so in the most cost effective fashion. You have been through several reorganizations in recent years that have moved you to more of a centralized HR service delivery model and these organizational changes were not always done with input from the serviced agencies.

You now want to have an external expert assess your organizational model (and delivered services) to determine what an optimal organizational structure should look like (e.g., what services should be delivered in a standardized fashion and what services need to be tailored to meet the unique needs of a given employee population.)

In the following pages, we describe the Management Plan EquaTerra proposes to utilize to:

- » Document your current organizational structure, HR services delivery model and processes, including its capabilities, effectiveness and an indicative view of its costs;
- » Compare your current organizational structure and delivery model to best practices;
- » Recommend an optimum organizational model, and service delivery model for the Division, reflective of its unique mission and scope;
- » Assess the gaps between the current state and ideal future state model; and
- » Recommend a plan for implementing the optimum HR delivery model, taking into consideration both internal and external influences that may affect its transformation.

EquaTerra will utilize its proven methodology and tool sets mapped to the engagement framework that you have requested. As our methodology is flexible, we are able to tailor our tools and methods to meet your specific requirements in terms of deliverables and timing. EquaTerra will work collaboratively with your core team. We strive to transfer as much knowledge, explicit and implicit, as possible to the client team to enable future success in managing any resulting service transformation or like projects.

Our project methodology is highly modularized, allowing for easy adaptation to the specific needs of your organization. In addition, the rigor underlying these work modules ensures strong linkage between activities so that future deliverables build upon already completed ones. For example, data collection is organized around summary processes and sub-processes. They are subsequently "exploded" to activity and task detail for the purpose of generating the current HR services delivery model and determining the optimum future-state. This construct also forms the basis for organizing service level metrics and defining process optimization opportunities. Efforts are neither duplicated nor wasted while there is consistency and coherence across all stages of our projects.

As illustrated below, we anticipate that the conduct and completion of the five stages will take approximately 10 weeks.

Project Stage	5/4	5/11	5/18	5/25	6/1	6/8	6/15	6/22	6/29	7/6
1. Prepare and Define	■									
2. Assess Current Delivery		■	■	■						
3. Define Future Delivery Options					■	■	■			
4. Develop Strategy								■	■	
5. Plan & Align										■
Major Milestones/ Project Deliverables	Approved Project Plan		Preliminary Report June 8, 2009				Executive Summary June 22, 2009			Final Report 7/6/09

Stage 1: Prepare and Define – 1 Week

1. **Prepare and Define** 2. Assess Current Delivery 3. Define Future Delivery Options 4. Develop Strategy 5. Plan & Align

During this stage of the project we focus on ensuring that the overall objectives of the project are well understood and that there is alignment with the broader strategies of the organization. We develop the overall project framework, project governance model, decision processes and any required communications plan.

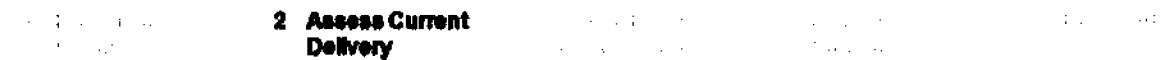
Our process for assessing stakeholder interests is structured to identify current levels of alignment on key strategic change drivers such as: organizational redesign, functional and process priorities, level of transformation required, level of customer service required, resource skills and capacity needed/available to drive implementation, pace of change and economic imperatives, among others. This helps our clients identify both the level of change desired and the level of change that may be tolerated within its environment and culture, by fully understanding the balance and trade-offs inherent in various alternatives to be evaluated. Where specific items described above already exist, these will be reviewed with the team and incorporated within the project.

Based upon our assessment of existing documentation and studies (and your input), we will identify a targeted set of stakeholders to identify critical issues from a variety of perspectives to include:

- » Administrative Services Directors in each agency
- » Division Directors within the Division of Personnel and Labor Relations
- » Other key stakeholders identified as we launch the project.

EquaTerra Activities	Key Deliverables
<ul style="list-style-type: none"> » Develop the overall project framework, project plan and charter » Identify core project team resources and on-board them » Agree to decision and alignment processes such as project governance, stakeholder identification, strategy and assessment communications plan 	<ul style="list-style-type: none"> » Confirmed project objectives » Detailed project plan » Project framework » Project governance » Stakeholder identification

Stage 2: Assess Current Delivery – 3 Weeks



Project Stage	5/4	5/11	5/18	5/25	6/1	6/8	6/15	6/22	6/29	7/6
1. Prepare and Define										
2. Assess Current Delivery										
3. Define Future Delivery Options										
4. Develop Strategy										
5. Plan & Align										
Major Milestones/ Project Deliverables	Approved Project Plan		Preliminary Report June 8, 2009			Executive Summary June 22, 2009			Final Report 7/6/09	

Key activities associated with this stage are the completion of the comprehensive data collection and stakeholder alignment. This stage is critical as it sets up the remainder of the project for success. We use a process approach to analyze your current operations and processes since this allows us to more easily compare the results of our analysis with benchmark and best practice data we've developed over the past several years.

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The following table summarizes how we analyze HR business functions around 21 critical processes – note that not all processes apply in each engagement.

Compensation, Benefits & Rewards	Organizational & People Development	Employee Data Management	Workforce Planning & Deployment	Human Capital Services
<ul style="list-style-type: none"> » Classification & Compensation » Employee Benefits » Payroll » Travel & Expenses 	<ul style="list-style-type: none"> » Organizational Development » Performance Management » Training & Development » Succession Planning 	<ul style="list-style-type: none"> » Data Records and Management » Pay Actions & Personnel Actions » HRIT/HRIS » Employee & Manager Self Service » HR Reporting and Workforce Analytics 	<ul style="list-style-type: none"> » Recruiting, Staffing & Resourcing » Relocations » Workforce Deployment 	<ul style="list-style-type: none"> » HR Strategy » Labor & Employee Relations » 3rd Party Vendor Management » Employee Communications » Policy & Legal Compliance

EquaTerra Activities	Key Deliverables
<ul style="list-style-type: none"> » Gather needed background information, including the review of previous studies and projects, identify any internal or external barriers to service delivery » Perform a series of scheduled interviews with management and staff » Review and evaluate the current business processes in place to support each activity » Review and evaluate the current service delivery model (including processes, services provided, service delivery roles, staffing information and budget and cost data) » Identify opportunities and strategies for improving the service delivery process. (Using our extensive library of human resource industry best practices -- in both the public and private sector -- and data gained from several hundred similar engagements, EquaTerra will analyze the gaps between these best practices and the current operations and processes. We will utilize these comparisons to identify specific HR processes which are potential opportunities for standardization and simplification both in the near and long term.) 	<ul style="list-style-type: none"> » Summary of findings from the interview process including a mapping and analysis of key stakeholders - including targeted communication plans to address critical stakeholder issues » Assessment of current process efficiency – highlighting areas of opportunity » Assessment of current organizational effectiveness » Identification of business processes for potential standardization

Stage 3: Define Future Delivery Options – 3 Weeks

3 Define Future Delivery Options

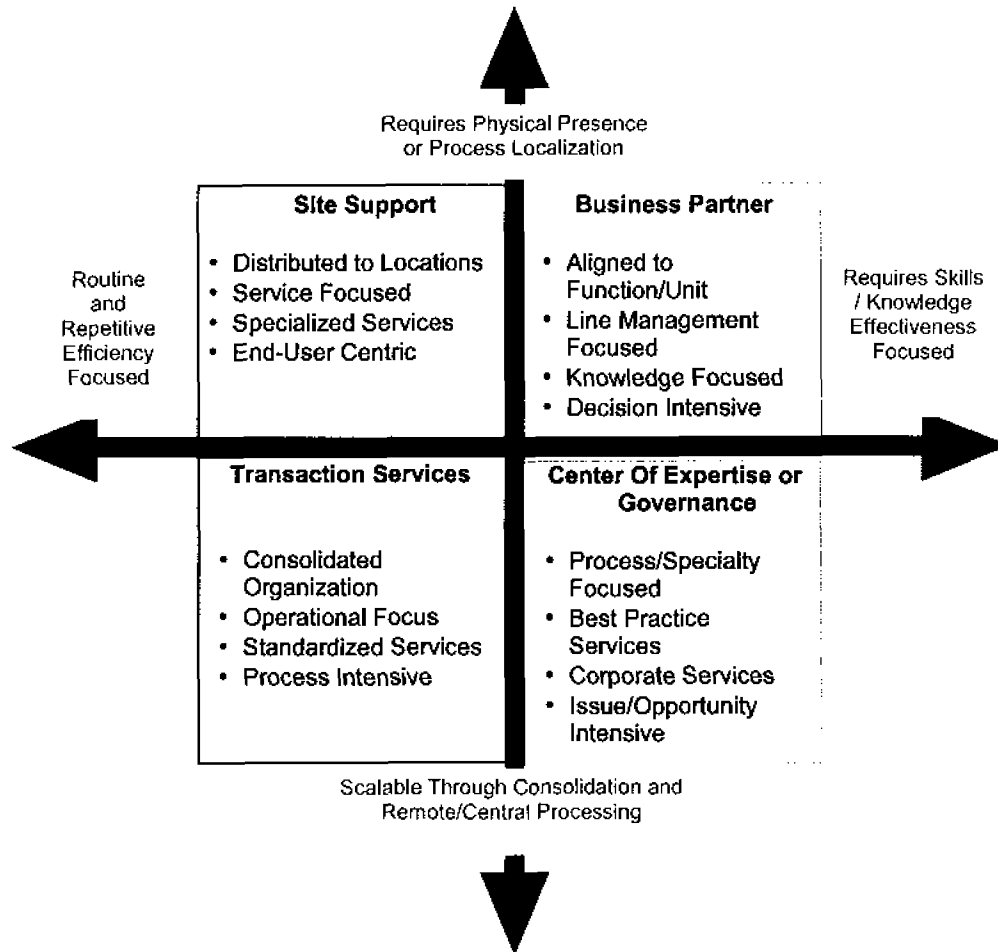
Project Stage	5/4	5/11	5/18	5/25	6/1	6/8	6/15	6/22	6/29	7/6
1. Prepare and Define										
2. Assess Current Delivery										
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Major Milestones/ Project Deliverables	Approved Project Plan		Preliminary Report June 8, 2009				Executive Summary June 22, 2009			Final Report 7/6/09

Based upon the data gathered in Stage 2, we will work in a collaborative fashion with the Division to define an optimum, future-state model for your organization and delivered services.

We have found the best process for visioning and gaining alignment for future state models is through interactive workshops with key client managers and subject matter experts. During these workshops, EquaTerra will focus on specific functional areas of opportunity. Using decision criteria identified and prioritized in the Prepare and Define stage, we will facilitate analysis of various solutions.

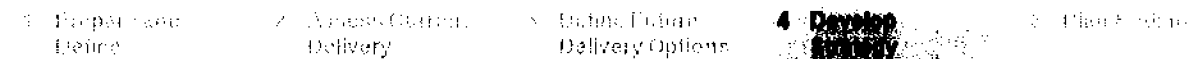
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We will utilize our process decomposition compass to assist in the evaluation of the most appropriate organizational construct and services delivery model for all HR business processes. This provides a solid and proven framework for making decisions related to areas of opportunity for process re-engineering, establishment of shared services and/or centers of excellence, leverage of existing technology or deployment of new, and the use of third-party solutions. We will also bring results from the stakeholder meetings and assessment of the current model into these discussions.



EquaTerra Activities	Key Deliverables
<ul style="list-style-type: none"> » Conduct an "external perspectives workshop," to help the Division know and understand the various options that are available to it. » Develop 2-3 service delivery models and organizational structures aligned with these models. » Identify opportunities and alternatives in using other State resources in the provision of HR services. » Identify organizational obstacles. » Conduct a risk assessment and develop risk mitigation strategies. 	<ul style="list-style-type: none"> » A Preliminary Report that: <ul style="list-style-type: none"> • Identifies efficiencies and deficiencies with your current structure • Outlines 2-3 service delivery models and organizational models that will drive desired efficiencies and that: <ul style="list-style-type: none"> ○ Are supported by the data collected in Stage 2 ○ Confirmed through the analysis done in this stage of the project ○ Include risk/change strategies and alignment with best practices » Exhibits and appendices to validate the data used or provide more detail for reference input from key stakeholders

Stage 4: Develop Strategy – 2 Weeks



Project Stage	5/4	5/11	5/18	5/25	6/1	6/8	6/15	6/22	6/29	7/6
1. Prepare and Define										
2. Assess Current Delivery										
3. Define Future Delivery Options										
4. Develop Strategy										
5. Plan & Align										
Major Milestones/ Project Deliverables	Approved Project Plan		Preliminary Report June 8, 2009			Executive Summary June 22, 2009			Final Report 7/6/09	

Utilizing the work done in Stage 3 and leveraging the input from your key stakeholders, we focus on the development of a recommended organizational strategy and service delivery model that will drive service delivery efficiency and effectiveness within the Division of Personnel and Labor Relations. We also focus on strategies around governance of the new organizational model, change management and communications planning activities as you transition to the new structure and risk mitigation strategies. The work in this stage culminates with the delivery of an Executive Summary per the requirements of this RFP.

EquaTerra Activities	Key Deliverables
<ul style="list-style-type: none"> » Development of the recommended organizational structure and delivery model based upon the analysis completed in Stage 3 combined with the feedback from key stakeholders. » Development of a high level plan to move the organization to the recommended structure and service delivery model with an emphasis around the development of: <ul style="list-style-type: none"> • An approach around any required redesign of core processes and technology support • Impacts on roles and responsibilities within the HR organization resulting from the restructuring e.g. re-skilling • Governance & change management strategies 	<ul style="list-style-type: none"> » A Executive Summary that contains: <ul style="list-style-type: none"> • A recommended organizational structure for the Bureau of Personnel and Labor Relations • A recommended HR service delivery model aligned with the recommended organizational structure • The methodologies utilized to identify efficiencies and deficiencies within the current structure and how the recommended structure will increase efficiencies and improve client services • A high level transition plan to move the organization to the recommended structure

Stage 5: Plan & Align – 1 Week

1. Prepare and Define 2. Assess Current Delivery 3. Define Future Delivery Options 4. Develop Strategy **5. Plan & Align**

Project Stage	5/4	5/11	5/18	5/25	6/1	6/8	6/15	6/22	6/29	7/6
1. Prepare and Define										
2. Assess Current Delivery										
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4. Develop Strategy										
5. Plan & Align										
Major Milestones/ Project Deliverables	Approved Project Plan		Preliminary Report June 8, 2009			Executive Summary June 22, 2009			Final Report 7/6/09	

During this state of the project we will be completing the **Final Report** per the requirements of the RFP and also preparing any additional materials for the planned on-site presentations to the administrative services directors and to the Department of Administration and DOP executives. Our main focus will be around gaining needed clarity around all major recommendations and aligning these recommendations with their impact on driving improved efficiencies, improved client services and alignment with best practices.

EquaTerra Activities	Key Deliverables
<ul style="list-style-type: none">» Development of the Final Report - utilizing feedback received during Stage 4 processes, EquaTerra will be completing the final report for the project and also preparing materials for the two on-site presentations.» Development of a high-level implementation road map to move the organization from its current structure to the recommended structure.	<ul style="list-style-type: none">» A Final Report (and presentation materials) that include:<ul style="list-style-type: none">• A recommended organizational structure for the Bureau of Personnel and Labor Relations based upon the work done during this engagement• A recommended HR service delivery model aligned with the recommended organizational structure• The methodologies utilized to identify efficiencies and deficiencies within the current structure and how the recommended structure will increase efficiencies and improve client services• A high level transition plan to move the organization to the recommended structure

E. Experience and Qualifications

Experience Requirements

The following table is our completed Minimum Experience Cross Reference Sheet per Attachment 3 of the RFP.

	Minimum Experience Required	Length of Time in Requirement	Location of Evidence Within Proposal	Name of Client, Contact Name, Telephone #, Email Address
1. Firm must have at least five years of experience within the past ten years performing organizational design studies and analyses within the public sector human resource environment.	Five Years	Six Years	Please contact the references provided in this table to verify our experience.	<p>1. British Council Project Title: FABS – Organizational Structure Review for Administration and Accounting System Year: 2002 Contact Name: Alex Caplin Telephone #: +44 (0)777 1678902 Email: ALEX.CHAPLIN@BRITISHCOUNCIL.ORG</p> <p>2. Blue Cross Blue Shield of Rhode Island Project Title: HR Organizational Review Year: 2003 Contact Name: Jim Purcell, CEO, BCBSRI Telephone #: 401-272-4932 Email: purcell.j@bcbsri.org</p>

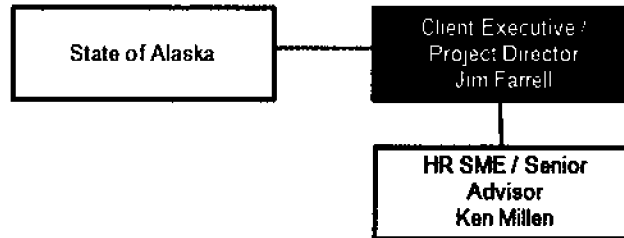
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	Minimum Experience Required	Length of Time in Requirement	Location of Evidence Within Proposal	Name of Client, Contact Name, Telephone #, Email Address
2. Personnel: At least one person(s) assigned to the project must have three years experience within the last seven years in organizational design and analyses and have completed at least two consulting project of similar scope and size within the public sector human resources environment.	Three Years	Four Years	Please see the letters provided in Appendix B. Also, please contact the references provided in this table to verify our experience.	<p>3. DC Government Project Title: HR Assessment and Transformation Plan Development Year: 2005-2006 Contact Name: Dana Bryson, Chief of Staff, Office of the City Administrator, Executive Office of the Mayor (former) Telephone #: 202.572-0696 Email: dbryson@macfarlanepartners.com</p> <p>4. FBI Project Title: Development of a Human Services Delivery Model Year: 2006-2007 Contact Name: Don Packham, Executive Assistant Director and Chief Human Resources Officer, FBI Telephone #: 202-324-3036 Email: donald.packham@ic.fbi.gov</p> <p>5. USAF Project Title: Personnel Services Delivery Transformation Strategic Partner Selection Year: 2007-Present Contact Name: Tim Beyland, Director, USAF / A1X, USAF Telephone #: 703-697-5221 Email: timothy.beyland@pentagon.af.mil</p> <p>6. State of Florida Project Title: PeopleFirst HR Assessment Year: 2008-2009 Contact Name: Emily Leventhal Telephone #: 850-487-9239 Email: leventhal.emily@oppaga.fl.gov</p>

Project Resources and Responsibilities

Advisor	Role	LOE Breakdown
Jim Farrell	Client Executive / Project Director	50%
Ken Millen	HR SME / Senior Advisor	50%

Project Organization Chart



Jim Farrell and Ken Millen will be responsible for completing all of the tasks associated with this project and, as indicated above, will each share equally in the overall workload. We are planning to have at least one consultant working on site throughout the project timeline with specific responsibilities for deliverables outlined in the following table.

Project Deliverable	Consultant Primary Accountability	Consultant Supporting Accountability
Stage 1 (Prepare and Define) – confirmed project objectives, detailed project plan, stakeholder identification, etc.	» Jim Farrell – on site	» Ken Millen – on site
Stage 2 (Assess Current Delivery) – summary of findings from the interview process, assessment of process efficiency, assessment of organizational effectiveness, etc.	» Ken Millen – on site	» Jim Farrell
Stage 3 – (Define Future Delivery Options) – Preliminary Report outlining 2-3 organizational models that will drive desired outcomes.	» Ken Millen – on site	» Jim Farrell
Stage 4 (Develop Strategy) – Executive Summary that contains recommended organizational structure and service delivery model with high level transition plan	» Jim Farrell – on site	» Ken Millen
Stage 5 (Plan and Align) – Final Report that includes	» Jim Farrell – on site	» Ken Millen

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recommended organizational structure and supporting materials. Two on-site presentations		
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As the Client Executive, Jim Farrell will be responsible for ensuring client satisfaction and quality deliverables that meet the State's needs. Specific responsibilities include:

- » Sharing insights, observations and recommendations with the client's project team on the conduct of the project;
- » Marshalling resources, including specific knowledge or skills, from other part of the firm for identified areas of need;
- » Sharing knowledge of the HR shared services best practices and market metrics;
- » Providing general oversight of the engagement;
- » Managing the project lead to ensure that deliverables are met on time, accurately and within scope; and
- » Ensuring the highest quality of the project and deliverables.

In his role as Project Director, Ken Millen will be responsible for managing all aspects of the engagement, including:

- » Defining the budget and overall financial target for the project and working with State's project director to ensure goals are met;
- » Consulting with State officials and its project executive daily;
- » Utilizing our extensive library of tools for developing the deliverables;
- » Ensuring deliverables are completed on time, accurately and within scope;
- » Working within the budget and overall financial target of the project to make sure goals are met; and,
- » Handling all aspects of project management, including work breakdown structure, schedules, resource planning, work flow and reporting.

Project Resource Resumes

Jim Farrell

Jim Farrell would serve as the Client Executive and Project Director on this engagement.

Jim comes to EquaTerra with nearly 20 years of experience leading complex HR organizations in state government.

Jim is currently leading a project with the Commonwealth of Pennsylvania, Department of Administration to help implement an HR shared services center. The center will focus on common HR, benefit and payroll transactions and information to all Commonwealth employees.

Jim has also served as Client Executive for other EquaTerra projects, including:

1. An HRIT assessment project with the Commonwealth of Pennsylvania which assessed the Commonwealth's SAP platform and other stand alone HRIT systems to make a recommendation on how they can be rationalized to provide support for their vision of moving to an HR Shared Service delivery model.
2. An Organizational Assessment of the City of Annapolis' Department of Finance, which included IT in which recommendations were provided around the areas of organization design, process improvement, and IT improvements and communications.

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He has also worked with the Los Angeles Unified School District, coaching its HR leadership through and assisting them with the design and development of an HR shared services delivery system. These operations are based on the SAP ERP platform, have put in place and are currently being used to provide HR, benefit and payroll services to LAUSD's employees.

Additionally, Jim provided HR subject matter expertise on an engagement with the State of Florida. EquaTerra performed an assessment of the State's current HR outsourced arrangement with Convergys which provides both technology and HR operations support for payroll, benefits, HR and timekeeping transactions. EquaTerra provided recommendations to the State on how better provide those HR services in the future.

Jim comes to EquaTerra from the State of Michigan where he served as its Chief Human Resources Officer. As such, he directed an operation of 600 people which served 18 departments and 55,000 employees. Among his major achievements was the planning and successful execution of the initiative to transition the State's HR function from a highly decentralized model to a shared services model that provides higher quality services to employees and saved the state over \$28 million in a five year period. While in this capacity, Jim was active on the Executive Committee of the National Association of State Personnel Executives (NASPE), culminating in his appointment as President in 2007.

Prior to serving as Chief HR Officer, Jim served as the Director of the Human Resources Bureau with the Michigan Department of Civil Service. There he had responsibility for statewide classifications, selections and examinations, recruitment, career planning and the operation of the statewide HR shared services/call center. He also served as the HR Director for the Michigan Department of Transportation where he successfully transformed the HR operations from a traditional transactions-based operation to one that operated under a strategic business partner model. Jim also served in other HR capacities and has significant experience in labor/employee relations.

Jim is a member of the International Public Management Association-HR (IPMA-CP certified) and serves on its Executive Committee and its certification board. He is also a member of the National Honor Society for Public Affairs and Management. Jim has served as adjunct instructor for the MPA program at Northern Michigan University and as a guest lecturer on leadership for Michigan State University's School of Hospitality Business. Additionally, he has authored several articles for HR publications and has frequently given speeches on various HR topics.

Under Jim's leadership as the Michigan's Chief HR Officer, his team received a number of national awards for the successful implementation of the State of Michigan's HR Shared Services Center. They include a 2006 Laureate Medal of Honor from ComputerWorld, a 2006 National Association of State Chief Information Officers (NASCIO) Award of Outstanding Achievement, the 2005 IPMA-HR Award of Excellence for a Large Agency, and a NASPE Rooney Award of Merit. Additionally, his team received four NASPE awards for excellence in state HR communications.

Jim has a Bachelor of Arts from Michigan State University and a Master of Public Administration from Western Michigan University.

Ken Millen

Ken Millen would serve as the Senior Advisor, HR Subject Matter Expert on this engagement.

Ken is a senior advisor and human resources subject matter expert with EquaTerra's Public Sector Practice. During his 40-year career, Ken has led HR strategy, HR service delivery and HR information systems implementation projects – whether via in-sourced, out-sourced or co-sourced solutions – across both public and private sector organizations. His areas of expertise include strategy development and execution, organizational

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development, program management, acquisition management, change/transition management and ongoing vendor governance.

His recent EquaTerra clients include:

State of Florida - Ken led EquaTerra's project team as they assessed the state of Florida's HR service delivery system (PeopleFirst) and interviewed every major agency in the state of FL to gain their perspectives around where they believed the work of HR should be accomplished. The results of this assessment were presented by Ken to the legislature of the State of Florida and our recommendations around future HR delivery strategies are now being executed.

United States Air Force – Ken has been working with the USAF since September of 2007 as they embark upon what they are calling their Personnel Services Delivery Transformation. EquaTerra's role is focused upon providing oversight to the USAF project team as they centralize certain services (and automate them through employee and manager self-service) and determine what services should be delivered in person at AF bases around the world.

District of Columbia – Ken led a city wide organizational assessment of the HR function for the District (roughly 17,000 employees). The results of this consulting engagement led to significant changes that have produced measureable benefits to the organization that carry forward to the present time.

Federal Bureau of Investigation – Ken was a senior advisor on EquaTerra's project team that helped the FBI establish a completely new organizational structure for its HR function. This included recommendations (that were fully executed) around combining the employee training function with the personnel function and also around creating a centralized "one stop shop" for specified services.

Prior to joining EquaTerra Public Sector, Ken was the director of HR services for Sears Roebuck & Co. In this role, Ken led the development of the HR service delivery platform and managed the Sears Associate Service Center providing core services to over 300,000 employees.

Among the other positions he has held are, Managing Consultant for Watson Wyatt Worldwide, Vice President of Human Resources for Dun & Bradstreet Software (formerly MSA), Vice President of Systems Development for Computer Management, Inc., and a Systems Engineer and Marketing Representative for International Business Machines. Ken is an active member of IHRIM currently serving on their Leadership Effectiveness Committee. He is a former president of the Atlanta Chapter of IHRIM and was a founding member of the Computer Services Personnel Association.

Ken holds a BS degree in Industrial Management from the Georgia Institute of Technology. He also completed the Executive Management and Development Program at the University of Georgia, the Strategic HR Planning Executive Development Program at the University of Michigan, and the Executive Development Program at Harvard University.

Project References

Reference #1:

Client: FBI

Project Title: Development of a Human Services Delivery Model

Reference Contact: Don Packham, Executive Assistant Director and Chief Human Resources Officer,
FBI: 202-324-3036 donald.packham@ic.fbi.gov

Period of Performance: October 2006 – March 2007

Description of Services:

The FBI's Chief Human Resources Officer sought to develop an optimum organizational structure and HR services delivery model that took into consideration the establishment of centers of excellence, the use of shared services models, and the provision of outsourced HR services by other Federal agencies. Prior to commencing the realignment, the work of the HR Branch was triggered in a variety of ways and often involved moving large volumes of paper documents among headquarters, units and field offices. Process requirements for a single transaction often required documents to be printed, completed and mailed or faxed to single or multiple contact points at numerous third-party support and service providers, followed by repetitive exchanges and manual data entry. The staffing and hiring function was also of particular concern, as the Bureau consistently fell short of hiring targets for support personnel and special agents who possessed certain critical skills.

EquaTerra was hired to develop a current-state picture of the FBI's HR services delivery functions, including a financial baseline that would indicate the estimated cost of the current HR function. This information was then compared against best practices elsewhere in the public and private sector.

EquaTerra then designed an optimum HR services delivery model to increase the FBI's capacity to use its HR resources more efficiently and to enable progress on strategy and HR initiatives. This delivery model specifically identified opportunities for process improvement and efficiency gaps.

EquaTerra then developed (and helped execute) a transition plan for the Bureau that recommended the following near term actions:

- » Establishing the CSSC (Customer Service Support Center) as the one place to go to obtain needed HR services and on stabilizing the current operations
- » Mapping existing work into the new CSSC service delivery model developing standard operating procedures for all major processes that are owned within the CSSC
- » Planning and conducting a "soft rollout" of the one number to call around the completion of the process realignment activities
- » Establishing separate project tracks around Web Time & Attendance and Comp Time Off For Travel initiatives - mapping the work to be done into the CSSC service delivery model
- » Developing and documenting transformation requirements

Our work included the redesign of the HR Organizational Structure to establish accountable Governance across the HR functional areas and their service delivery partners such as Security for background checks and the US Department of Agriculture's National Finance Center for Payroll delivery.

Key areas of the project focused on Program Management, Change Management and Transition Management.

Program Management at the FBI initially focused on a few key steps; (1) identifying and confirming key project team members and stakeholders required for success, (2) clarification of decisions rights in a consensus oriented environment and (3) agreement to the project schedule including ownership of tasks. As part of our Project Management approach we published Weekly Status Reports to communicate progress to any Stakeholders outside the core project team and to facilitate staying on track with the planned schedule with clear ownership and due dates.

Once the project was underway, Program Management expanded into the cross-functional view of opportunities for improvement to performance, quality and cost. These are aspects of service delivery for which the Governance structure would be accountable when transition to a new service delivery model occurred. The Program Management team worked with each Office of Personnel Management-certified Federal Shared Services Center to determine what measures, metrics, and reporting were in place, and how the quality levels measured up. This included voice of the customer perceptions of quality and opportunities. In cases where measures, metrics and reporting are not managed as formal service levels, the Program Management team defined the target and minimally acceptable measures along with

reporting vehicles and programs. The Service Level program was also designed to support and link with the President's Management Agenda and performance reporting requirements.

Program Management also focused on determining the true spend associated with delivering HR services to the Agency. Through data collection of resource allocations and review of budgets for HR and non-HR resources in the service delivery end-to-end supply chain (i.e. IT supporting HR systems, Security for background checks) a Base Case was developed reflecting the total spend including direct and indirect expenses (i.e. 3rd party contracts for recruitment support).

The project team moved forward with the assessment of the current HR operational model and a review of HR processes and workflow. At this stage the team was able to start objectively identifying opportunities to; remove redundant process steps, realign resources and roles to leverage skills sets (i.e. organizational development and career path design), and identify skill gaps and weak links in the service chain. With a picture of the future, desired state for the organizational structure – form following function – the team was ready to address the potential risk factors and change management requirements for transition.

To improve the chances of success for transition and the related changes the team agreed that a solid and well documented Governance structure with clear roles and accountability should be the next step. We crafted position responsibilities, which enabled the FBI HR Leaders to move forward assessing their existing resources to determine who should be assigned full-time ad who should participate as part of the Governance structure and escalation processes.

Using the future, desired state as a guide the Project Team prioritized the phasing of transition and change. It became clear that the underlying infrastructure of a smooth-operating Customer Service Center was critical to the success of other proposed changes in the delivery model. The team reviewed the transactional type activities that fit well into a service center delivery environment and was able to show immediate improvement to its customers by establishing the core service center team in time to focus on a pending issue that was resulting from the transition of Payroll to the US Department of Agriculture's National Finance Center

Reference #2:

Client: United States Agency for International Development (USAID)

Project Title: Top-to-Bottom Review and Assessment of the HR Function

Reference Contact: Beth Salamanca, Chief, Policy, Planning & Information Management, USAID: 202-712-5762 bsalamanca@usaid.gov

Period of Performance: August 2007 – December 2007

Description of Services:

The USAID's Office of Human Resources was looking to reengineer its HR organization and, so, it engaged EquaTerra to conduct a top-to-bottom review of its operations. The purpose of the review was to identify core HR functions, make recommendations on the extent to which these functions should be streamlined and professionalized, and identify an optimal organizational structure for HR.

As part of our review, we defined a current spend baseline, a future state service delivery model reflective of the Agency's unique mission and environment, and provided transformation guidance, which included:

- » Internal transformation recommendations,
- » Gap analysis,
- » Current spend baseline,
- » Transformation-sequence plans, including resource and cost estimates, and
- » Key role descriptions / statement of work for the development of formalized compensation management, organizational development and governance

EquaTerra performed all of above tasks and produced the required deliverables on time and on budget. The assessment resulted in a number of recommendations to realign pieces of the Agency's HR service delivery. The two key recommendations focus on (1) improvement to technology to establish or buy an integrated HRIS, and (2) moving to a delivery structure that facilitates customer service for repeatable transaction-based activities by leveraging an existing case-management tool along with modified HR and customer behaviors. The team also developed recommendation-specific transition plans with estimates of resource requirements and the estimated costs to achieve.

Reference #3:

Client: United States Air Force (USAF)

Project Title: Personnel Services Delivery Transformation Strategic Partner Selection

Reference: Tim Beyland, Director, USAF / A1X, USAF: 703-697-5221 timothy.beyland@pentagon.af.mil

Period of Performance: September 2007 - Present

Description of Services:

Through a broad set of initiatives that are being managed by the Air Force Personnel Center, the USAF has launched a program entitled the Personnel Services Delivery Transformation (PSDT). The goal of this transformation is to integrate the broad use of Web-based employee and manager self service with the upcoming implementation of a new payroll/HRIS system supporting its 600,000 service members. Additionally, this project will determine which services should be delivered in person at AF bases around the world.

EquaTerra was hired by the USAF to:

- » Provide extensive independent assessment of the vendor community and the HR transformation process;
- » Help the project team assess the capability of vendors to deliver on their proposed approaches;
- » Provide significant expertise around essential change management activities;
- » Assist in the development of a broad range of metrics that can measure both project success, HR transformation success, and the ongoing vendor relationship; and
- » Help the USAF develop an overall framework around vendor management, change management, transition management and governance for the PSDT initiative (post contract award).

EquaTerra's work, to date, has entailed:

- » Performing an independent assessment, utilizing an industry standard scorecard, rank ordering providers based off the following key characteristics: feasibility of approach based off stated RFP objectives, proposal quality, references – similar delivery solution exists today, and RFP stated requirements including: strategic vision as it relates to stated USAF requirements, program management, change management, business process re-engineering, and transition approach;
- » Providing expertise around the vendors' proposed project management office (PMO) approaches, as well as guidance and counsel around what a "Typical" PMO should look like;
- » Educating USAF on industry standard practices and methodologies around acquisition management;
- » Reviewing and providing expertise around the vendors proposed approaches to change management.
- » Reviewing proposed governance frameworks from the providers, as well as existing governance frameworks for the USAF, providing expertise and industry standard examples around what a "typical" governance organization should look like; and
- » Reviewing and providing expertise regarding the vendors proposed approaches in this area, as well as sharing standard practice information around what it takes to "transition" an organization this size and complexity.

Reference #4:

Client Name: State of Florida, Office of Program Policy Analysis and Government Accountability (OPPAGA)

Project Title: PeopleFirst HR Assessment

Reference: Emily Leventhal, 850-487-9239, leventhal.emily@oppaga.fl.gov

Period of Performance: September 2008 – January 2009

Description of Services:

The State of Florida contracted with Convergys, in 2002 to build and support a human resources management system (HRMS), including a personnel information system, and provide a variety of human resources (HR) services such as payroll preparation, time and attendance, recruitment and staffing, benefits administration and reporting. The resulting system and services, known as People First, provide HR services to approximately 230,000 State employees and retirees. In August 2011, the State of Florida's contract with Convergys, the service provider for the People First system, will expire.

With expiration of the contract less than three years in the future, the State now faces the challenge of determining the best path forward against the backdrop that over 200,000 current and past State employees currently depend on People First for essential services. At the direction of the State of Florida's Legislature, the Office of Program Policy Analysis and Government Accountability (OPPAGA) contracted with EquaTerra to conduct an analysis of People First, identify and evaluate potential options for moving forward, and provide a recommendation on the most viable path forward in the context of the current contract's expiration set for August 2011.

EquaTerra utilized a proven methodology including extensive data collection and interviews with key stakeholders and People First users. EquaTerra commenced the project work in September, 2008 and spent significant time on-site at the Department of Management Services (DMS). The team also conducted site visits to both People First service centers (Tallahassee and Jacksonville, FL).

Approach & Methodology

OPPAGA articulated its desire for an analysis to consider the following critical aspects of People First:

- » The efficiency and effectiveness of delivered services;
- » Analysis of existing staff (within DMS, the service provider and the agencies) in regards to headcount, qualifications/skills, staffing requirements for and ability of staff to support future options, etc.; and
- » IT functionality, maintenance and security.

To complete this analysis and provide thoughtful recommendations on the State's most viable path forward, EquaTerra utilized its proven methodology and tailored its methods and tools to meet both OPPAGA's requirements and the defined timeline. For this project, EquaTerra's team organized its work into four key stages: Stage 1) Mobilize and Scope, Stage 2) Assess People First, Stage 3) Evaluate Options and Develop Recommended Strategy, and Stage 4) Complete Final Report. Throughout the project timeline, EquaTerra provided frequent updates to OPPAGA including presentations on preliminary findings and the draft final report.

EquaTerra's approach to this assessment commenced with an intensive three-prong data collection effort including the review of past research and documentation on People First, interviews with key stakeholders (such as the People First team, DMS, Convergys and People First user groups), and site visits to the Convergys-run People First service centers (located in Tallahassee and Jacksonville). EquaTerra's team also reviewed the State's contract with Convergys and the subsequent 10 contract amendments. Finally, the team gathered important cost data including the State's estimates on the

overall cost of People First, the estimated savings achieved by People First, and utilized financial models to examine Convergys' cost of providing HR services. Important to note, as anticipated, Convergys was willing to provide only limited data on its own costs and did not provide some requested information such as staffing headcounts and salary information for the service centers.

The data collection effort, combined with EquaTerra's industry benchmarking data and deep knowledge of outsourcing agreements, provided the foundation for the assessment of the State's potential options for moving forward. At the onset of this project, OPPAGA defined the State's five options for moving forward and providing a personnel information system and an enterprise-wide suite of services including payroll preparation, benefits administration, recruiting and staffing, personnel transactions and data warehouse. OPPAGA describes these five options as follows:

- » Continuing the contract with the current vendor (Convergys),
- » Transferring all operations and support to the State of Florida,
- » Soliciting for a competitive bid from another vendor to support the current system,
- » Insourcing some activities to the State and outsourcing other activities to a service provider, and
- » Soliciting a competitive bid from a vendor to build a new system.

EquaTerra identified four additional "hybrid" options which feature a blend of both outsourced and insourced components. The resulting nine options were grouped in three categories: outsourcing options, insourcing options, and blended options. We define three options in each category. The project team conducted an initial evaluation of each potential option on five key dimensions: Service Delivery Alignment, Staffing Implications, Technology Considerations, Overall Cost Impact, and External Factors

As documented in our detailed final project report, we narrowed our People First assessment to what we believed to be the most viable alternatives available to the State of Florida based upon a broad set of evaluation criteria. We ultimately recommended two options: A primary one and a secondary one. We also suggested the State take a number of other steps, itself, to improve the efficiency and effectiveness of its current solution.

Reference #5:

Client: District of Columbia Government

Project Title: HR Assessment and Transformation Plan Development

Reference Contact: Dana Bryson, Senior Manager, Executive Office of the Mayor (former), 202.572-0696, dbryson@macfarlanepartners.com

Period of Performance: December 2005 – November 2006

Description of Services:

EquaTerra was hired to assist the District of Columbia Government in the development of a three-year HR transformation plan that would both achieve longer term strategic objectives but also meet defined tactical requirements related to critical hiring and classification processes.

Working with the DC Office of Personnel and the Mayor's Center for Innovation and Reform, EquaTerra developed and presented a transformation blueprint that called for the implementation a new HR organizational structure (adoption of the HR generalist/specialist model) and HRIS functionality (benefits administration, time keeping and payroll) that:

- » Delivers a high level of employee self-service and supports the move towards paperless processes;
- » Placed a focus on objective reporting of results achieved, key metrics established and benchmarks identified;
- » Encompassed a one stop shop HR service center; and
- » Recognized that the creation of a new job classification system is foundational to moving towards more effective and efficient (paperless) processes.

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Alaska Department of Commerce, Community, and Economic Development

Division of Corporations, Business and Professional Licensing
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This is to certify that

EQUATERRA, INC.

THREE RIVERWAY, SUITE 1290, HOUSTON, TX 77056

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is licensed by the department to conduct business for the period

March 31, 2009 through December 31, 2009

for the following line of business

54: Professional, Scientific and Technical Services



This license shall not be taken as permission to do business in the state without having complied with the other requirements of the laws of the State or of the United States.

This license must be posted in a conspicuous place at the business location.
It is not transferable or assignable.

Commissioner: Emil Notti

G. Appendix B

The following pages contain client letters substantiating our personnel experience in providing HR consulting services to the public sector.

To Whom It May Concern:

Ken Millen and EquaTerra, Inc. provided human resources (HR) advisory services to the Federal Bureau of Investigation between December 2005 and November 2006 as part of the Bureau's HR organizational assessment / transformation initiative.

Sincerely,



Don Packham
Executive Assistant Director & Chief Human Resources Officer
Federal Bureau of Investigation

MacFarlane PARTNERS

April 2, 2009

To Whom It May Concern:

In December 2005 we selected Ken Millen and EquaTerra, Inc. to provide comprehensive HR advisory services to the Government of the District of Columbia from December 2005 through November 2006.

They led a citywide HR organizational assessment effort and we found them to be diligent, efficient and cost effective. They managed to navigate an entrenched bureaucracy by building trust and instilling confidence in both the employees and senior leadership of our City. Their no-nonsense approach was practical and I wholeheartedly recommend them to your organization. We were able to immediately apply their recommendations to the financial and operational benefit of the District Government.

In my years of government service I have worked with many, many consultants and Ken, and his team, stand out as among the VERY best. Their work is high quality, they are self managed and produces great results.

Please do not hesitate to call me if you have any questions.

Sincerely,



Dana Bryson

Senior Vice President, Investments

MacFarlane Partners

dbryson@macfarlanepartners.com

202 572-0696

Formerly:

Chief of Staff (2004-2006)

Office of the City Administrator

Executive Office of the Mayor (former)

Government of the District of Columbia