

## REQUEST FOR PROPOSAL: CEO 360° PERFORMANCE APPRAISAL

**Submission Due Date:** July 20<sup>th</sup>, 2018

**Expected Date of Award:** September 30<sup>th</sup>, 2018

This Request for Proposals (“RFP”) is being issued by Indus Community Services (Indus) to obtain competitive proposals from external consultants to assist the Board of Indus with conducting a 360° Performance Appraisal of the CEO in an effective, consistent and structured approach as per the attached policy and the evaluation criteria outlined in the policy. We are inviting the submission of a proposal to be submitted to us by 12:00pm, Friday, July 20<sup>th</sup>, 2018, for our consideration.

### Background

Indus Community Services is an accredited, not-for-profit community benefit organization that has served local communities for over 33 years. We are a registered charity, supported by our donors and by all three levels of government. Through our professional staff, we are a leader in the provision of culturally responsive services to newcomers, families, women & seniors.

Vision: Leaders in building strong and supportive communities.

Mission: Supporting our growing communities to manage change through quality client-centered social & health services and responsive public education.

### Your Response to this Request for Proposal

In responding to this request, we request the following information:

- Detail your experience in providing leadership assessment consulting services to organizations in the not-for-profit sector or related groups, as well as associations of a comparable size to Indus.
- Provide a brief description of your company's history.
- Discuss your independence with respect to Indus.
- Describe how you will approach the appraisal process.
- Identify the appropriate evaluation methodology to meet the appraisal criteria listed in section 4.6. of the attached policy.
- Based on the attached policy, develop a work-plan with timelines.
- Describe the communication process you will use as you assist the Board's Appraisal Committee through the appraisal process.
- Outline your proposed costs and fees

### Inquiries and Proposals should be directed to:

Vinitha Miranda, Director, Human Resources & Strategic Development  
Telephone: 905-275-2369, ext. 290,  
Email: vmiranda@induscs.ca



PROCEDURE NUMBER: BOPO.9012

EFFECTIVE DATE: JUNE 5, 2013

## CEO'S ANNUAL PERFORMANCE APPRAISAL & COMPENSATION

### 1. POLICY STATEMENT:

The performance of the CEO is linked to organizational performance. A key responsibility of the Board is to assure itself of effective organizational performance through the appraisal of the CEO. The CEO is entitled to a formal performance appraisal on an annual basis. The appraisal shall be carried out by the CEO Appraisal Committee of the Board (Appraisal Committee) who shall focus on the criteria below and who shall receive, inquire into and review the evidence, inform the Board of its findings and make recommendations to the Board if any. The Annual Performance Appraisal shall:

- Determine if the CEO has met the objectives of the annual agency work-plan
- Provide the CEO with feedback and support
- Provide an opportunity to review work-plan priorities and set future goals in accordance with the agencies strategic plan
- Review the CEO's job description and compensation

Indus shall provide and maintain a total compensation program compatible with, and supportive of the overall organizational philosophy. The CEO's total compensation package shall include the following components:

- Base salary progression linked to performance
- Insured benefit programs, RRSP contributions, and other perquisites
- Provide learning and development opportunities
- Acknowledgement and recognition

### 2. SCOPE:

This policy governs Indus' elected Board Members and the CEO.

### 3. PURPOSE:

The purpose of this policy is to document the process for the annual performance appraisal and to outline the compensation review process for the CEO.

### 4. PROCEDURES:

**4.1.** The performance appraisal process may take place over two or three months, should begin in September and be completed by the end of the calendar year. The Board has the option to conduct the performance appraisal through the Appraisal Committee or hire an External Consultant.

#### **4.2. Role of the Appraisal Committee/External Consultant**

4.2.1. The Appraisal Committee shall comprise of Board Members authorized and delegated by the Board. Its role is to:

- i. Manage the performance appraisal process
- ii. Ensure that the CEO has a clear understanding of and sufficient and timely information about all aspects of the performance appraisal
- iii. Solicit feedback on the CEO's performance from stakeholders potentially including, but not limited to, staff reporting directly to the CEO, Board Members, funders, and representatives from agencies in the community with whom Indus works, if required, and in consultation with the CEO
- iv. Collect and analyze the performance appraisal evaluation results to identify strengths and areas for improvement
- v. Ensure that the CEO has a work-plan/goals with objectives linked to the Indus strategic plan
- vi. Discuss and build with the CEO consensus around any changes to the job description, yearly work-plan, professional development plan and review the operations succession plan
- vii. Complete the final performance evaluation to be signed and placed on the CEO's personnel file
- viii. Ensure continuous two-way communication with the CEO regarding the achievement of objectives, the level of performance and, if applicable, strategies to improve performance
- ix. Manage the compensation review process

#### **4.3. Role of the Board Chair**

- 4.3.1. Annually the CEO and the Board Chair shall mutually agree on the performance appraisal process for the year; including the evaluation criteria and the performance indicators to be used. The CEO shall provide the Board Chair with a written report detailing:
  - i. The discharge of their duties and the results of their performance, including the overall corporate performance for the current fiscal year
  - ii. Their annual goals and objectives for the upcoming fiscal year for presentation to the Board for approval
  - iii. A review/update of the Operations Work Plan for the upcoming fiscal year
- 4.3.2. Upon receipt of the written report from the Appraisal Committee, the Board Chair shall meet with and provide a copy of the report to the CEO. The CEO shall be provided with a reasonable opportunity to redress any deficiencies in performance and their job description, employment contract, terms of employment or compensation shall be reviewed and acknowledged in writing at this meeting.
- 4.3.3. The Board Chair shall provide the CEO with feedback at least once midway between formal appraisals and ongoing informal feedback on their performance on a regular basis.

#### **4.4. Appraisal Process**

- 4.5. The Board Chair shall convene a meeting of the Appraisal Committee/External Consultant to meet with the CEO to review the reports/documents provided and to gather any additional information or feedback.
  - 4.5.1. Once the evidence of performance is collected and analyzed, the Appraisal Committee/External Consultant shall summarize its review including performance

improvements and specific areas of outstanding performance in a written report for the Board and could include:

- i. Actions related to the CEO's development, responding to issues identified during the evaluation or CEO identified needs.
- ii. Recommendations related to the CEO's job description, employment contract, terms of employment or compensation.

4.5.2. The Appraisal Committee/External Consultant shall provide its written report to the Board by the November Board Meeting for comment and approval.

#### **4.6. Appraisal Criteria**

4.6.1. The CEO shall be evaluated against the following criteria:

- i. Responsibilities outlined in the job description
- ii. The level and quality of services and programs delivered within the approved budgets.
- iii. Cost-effective and sound administration of the organization's assets including human, material and financial resources
- iv. Effective and collaborative relationships with the organization's stakeholders
- v. Progression of the current strategic and annual work-plan, including key performance indicators
- vi. Adherence to Indus' vision, mission and guiding values
- vii. Compliance with all legal and regulatory requirements
- viii. Effective board relations
- ix. Other agreed upon individual goals

#### **4.7. Evidence of Performance**

4.7.1. The CEO shall provide information/data on the above listed appraisal criteria to the Board Chair at the beginning of the appraisal process. Evidence of performance indicators may also include:

- i. A written report from the CEO on the progress of the current strategic and operational goals and the adherence to the mission, values & guiding principles of the organization
- ii. A written statement of the CEO's goals (agreed to by the CEO and the Board Chair at the beginning of the year) for the year under review
- iii. Confidential independent verification and other data gathered by the Evaluation Committee in relation to the implementation of operational policies
- iv. An annual audit of the organization's financial records and any advice solicited or received from the auditors.

4.7.2. In seeking independent verification of the CEO's performance the Appraisal Committee, with the approval of the Board and in consultation with the CEO may seek information outside of the process described in this policy.

#### **4.8. Documentation**

4.8.1. In addition to the written evaluation of the CEO's performance, the Appraisal Committee/External Consultant shall document the evaluation process in terms of what evidence was reviewed and who was interviewed.

## 4.9. Compensation Review

- 4.9.1. Authority to set total executive compensation is the responsibility of the Indus Board of Directors as a whole. To make this decision the Board is provided with a benchmarking analysis of comparable compensation data by the Appraisal Committee/External Consultant. They must ensure that the compensation package:
- i. Encourages the attraction, retention and motivation of high-caliber executive leadership
  - ii. Provides a competitive and reasonable total compensation package
  - iii. Reinforces the goals of the organization by supporting teamwork and collaboration
  - iv. Ensures that pay is perceived to be fair and equitable
  - v. Is flexible to reward individual accomplishments as well as organizational success
  - vi. Ensures that the program is easy to explain, understand, and administer
  - vii. Balances the need to be competitive with the limits of available financial resources
- 4.9.2. To ensure competitiveness of the total compensation package a formal analysis shall be conducted every three years and an informal analysis conducted in median years by the Appraisal Committee/External Consultant.
- 4.9.3. The Appraisal Committee/External Consultant shall:
- i. Analyze job content data (i.e., duties, responsibilities and work requirements) based on the CEO's current, written position description.
  - ii. Conduct a total executive compensation analysis.
  - iii. Identify total executive compensation benchmarks.
  - iv. Compare the current Indus total executive compensation against benchmarks.
- 4.9.4. The Appraisal Committee/External Consultant will report to the Board the results of their review and make recommendations for any changes to the Board, as appropriate.
- 4.9.5. The compensation review shall be conducted in conjunction with the CEO's performance review; i.e. completed by the end of the calendar year and changes/adjustments to base salary, benefits and perquisites will be made effective to January 1st.
- 4.9.6. The Appraisal Committee/External Consultant in considering compensation shall rely on comparability data that demonstrates the fair market value of the CEO's compensation.
- 4.9.7. Compensation comparability data shall provide compensation levels for similarly qualified individuals in like positions in similarly sized non-for-profit/community service organizations and for-profit organizations, providing similar services (determined according to revenue size and geographic area). This data may include the following:
- i. Expert compensation studies by independent firms;
  - ii. Written job offers
  - iii. Documented telephone calls
  - iv. Compensation surveys
  - v. Information obtained from the Public Sector Salary Disclosure List (Ontario)

- 4.9.8. To approve the compensation for the CEO the Board shall document how it reached its decisions, including the data on which it relied and minutes of the meeting during which the compensation was approved. Documentation will include:
- i. A description of the compensation and benefits and the date it was approved.
  - ii. Board directors who were present during the discussion about compensation and benefits, and the results of the vote.
  - iii. A description of the comparability data relied upon and how the data was obtained.
  - iv. Any actions taken (such as abstaining from discussion and vote) with respect to consideration of the compensation and benefits due to a conflict of interest.
- 4.9.9. The CEO's personnel file shall contain a signed offer letter/contract of employment and approval of any salary or benefit changes.
- 4.9.10. The Appraisal Committee shall be composed solely of Board Members who are independent of the management of the organization and are free of any relationship that, in the opinion of the Board, may interfere with their exercise of independent judgment as a committee member, all in accordance with applicable governance policies.
- 4.9.11. Members of the Appraisal Committee shall operate independently without undue influence from the CEO.

**5. RESPONSIBILITY:**

- 5.1. It is the responsibility of the Appraisal Committee/External Consultant and the Board to ensure that privacy and confidentiality is maintained throughout the appraisal process.
- 5.2. It is the responsibility of the Board Chair and the CEO to ensure that all elected Board Members are provided with a copy of this policy.
- 5.3. It is the responsibility of each Board Member to ensure that they understand, comply with and meet the criteria/responsibilities outlines in this policy.
- 5.4. If needed, it is the responsibility of each Board Member to seek out assistance from the Board Chair or the CEO in order to comply with this policy in a timely manner.

**6. REFERENCES:**

- 6.1. CEO Job Description
- 6.2. Work Plan Template Form # HRFO.9059

***Policy Approvals***

<i>Date</i>	<i>Name</i>		<i>Title</i>
March 10, 2018	Reviewed By	Gurpreet S. Malhotra	CEO
March 16, 2018	Recommended By	Governance Committee	
March 22, 2018	Approved By	Board of Directors	