



Request for Proposal (RFP): Professional Employer Organization (PEO) and Administrative Services Organization (ASO) Solutions

Issued By:

Small Business Association of Michigan (SBAM)

RFP Objective:

SBAM is seeking proposals from qualified vendors to provide Professional Employer Organization (PEO) and Administrative Services Organization (ASO) solutions tailored to the needs of its diverse membership base. The selected vendor(s) will deliver comprehensive HR, payroll, benefits administration, and compliance support services to small business members across various industries.

Section 1: Introduction and Background

1.1 Introduction:

The Small Business Association of Michigan (SBAM) represents a wide array of small businesses spanning industries such as retail, manufacturing, healthcare, technology, and professional services. To enhance our value proposition, SBAM aims to partner with a PEO and/or ASO provider to offer flexible, cost-effective solutions for HR management and administrative support tailored to the needs of our members.

Our membership consists of over 33,000 small business members, with representation in all 83 counties of Michigan. They range in size from sole entrepreneurs to businesses with 100s of employees. The average size of our membership is 22 full-time employees. SBAM currently has over 2400 businesses active in our employee benefit packages, representing roughly 30,000 lives.

Below is a breakdown of industry on the members that we have this detailed information on.

NAICS Code Sector	# of SBAM Members
11 Agriculture, Forestry, Fishing and Hunting	378
21 Mining, Quarrying, and Oil and Gas Extraction	29
23 Construction	1555
31-31 Manufacturing	2284
42 Wholesale Trade	1294
44-45 Retail Trade	2263



48-49 Transportation and Warehousing	421
51 Information	642
52 Finance and Insurance	1714
53 Real Estate and Rental and Leasing	895
54 Professional, Scientific, and Technical Services	3771
56 Administrative and Support and Waste Management and Remediation Services	1373
61 Educational Services	451
62 Health Care and Social Assistance	1821
71 Arts, Entertainment, and Recreation	733
72 Accommodation and Food Services	1413
22 Utilities	39
55 Management of Companies and Enterprises	34
81 Other Services (except 92 Public Administration)	1839
92 Public Administration	282
Grand Total	23231

1.2 Background:

SBAM’s membership includes businesses of varying sizes with unique HR, payroll, and compliance challenges. By offering access to a PEO or ASO solution, we seek to empower members to focus on their core operations while ensuring efficient and compliant administrative functions.

Section 2: Scope of Services

2.1 PEO Services:

Proposals for PEO solutions must include the following services:

1. Payroll processing and tax administration.
2. SBAM currently has its own PEP 401K plan, Life/Disability Program and an exclusive contract with BCBSM/BCN, so benefit offerings will need to leverage off our existing menu. BCBSM/BCN is willing to work with us to set up our own pool or leverage an existing PEO’s pool.
3. Human resources compliance support, including employment law guidance and risk mitigation.
4. Workers’ compensation insurance and claims management.
5. Recruitment, onboarding, and employee lifecycle management.
6. Technology platform for HR management and reporting.

2.2 ASO Services:

Proposals for ASO solutions must include the following services:

1. Payroll processing and tax administration.



2. Employee benefits administration support without co-employment arrangements.
3. Human resources consulting and compliance support.
4. Talent Acquisition and Hiring Onboarding
5. Access to technology for managing HR and payroll functions.

2.3 Optional Services:

Vendors are encouraged to highlight any additional services that add value, such as:

1. Employee training and development programs.
2. Performance management tools.
3. Industry-specific compliance services.

Section 3: Vendor Requirements

3.1 Qualifications:

1. Proven experience delivering PEO or ASO services to small businesses.
2. Strong understanding of Michigan's regulatory environment.
3. Demonstrated financial stability and operational capacity.
4. Expertise in serving diverse industries.

3.2 Technology:

1. Provide a robust platform for payroll, benefits, and HR management.
2. Ensure data security and compliance with applicable privacy laws.

3.3 Support:

1. Dedicated account management and customer service team.
2. Scalable services to accommodate businesses of different sizes.

Section 4: Proposal Content

Proposals should include the following sections:

4.1 Executive Summary:

- Overview of the vendor's qualifications and approach to delivering PEO and/or ASO services.



4.2 Service Offerings:

- Detailed description of core and optional services for both PEO and ASO models.
- Customization options to meet the needs of diverse business types.
- Sample service agreements or summaries (if available).

4.3 Pricing:

- Transparent pricing structure, including per-employee or per-service costs.
- Explanation of cost-saving mechanisms for SBAM members.

4.4 Implementation Plan:

- Onboarding process and timeline.
- Member education and support strategies.

4.5 Compliance and Risk Management:

- Explanation of compliance support services.
- Processes for managing and mitigating risk.

4.6 References:

- Contact information for at least three current clients, preferably associations or small business groups.

Section 5: Evaluation Criteria

Proposals will be evaluated based on the following criteria:

1. **Service Offering (30%)** – Breadth and quality of PEO and/or ASO services.
2. **Customization (20%)** – Flexibility to tailor services for diverse industries.
3. **Pricing (20%)** – Affordability and clarity of pricing structure.
4. **Technology (15%)** – Quality and usability of the vendor’s platform.
5. **Vendor Experience and Reputation (10%)** – Track record and client satisfaction.
6. **Support and Scalability (5%)** – Capacity to meet the evolving needs of SBAM members.



Section 6: Submission Guidelines

6.1 Submission Deadline:

Proposals must be submitted by January 24, 2025. Late submissions will not be considered.

6.2 Submission Method:

Proposals should be sent via email to Michelle.Beebe@sbam.org cc: Kellie.Neirnyck@sbam.org with the subject line: "RFP Submission: SBAM PEO/ASO Solutions."

6.3 Contact Information:

For questions or clarifications, please contact: Michelle Beebe

Chief Revenue Officer

517-267-2203

Michelle.Beebe@sbam.org

Section 7: Terms and Conditions

1. SBAM reserves the right to accept or reject any or all proposals.
2. All submitted proposals become the property of SBAM.
3. Proposals must remain valid for a period of 90 days from the submission deadline.
4. Any costs incurred in preparing the proposal are the responsibility of the vendor.

Conclusion

SBAM appreciates your interest in partnering with us to provide PEO and ASO solutions for our members. We look forward to reviewing your proposal and identifying a vendor that aligns with our vision to deliver high-quality, cost-effective administrative and HR support services to small businesses.