

Invitation to Quote

**Invitation to Quote (ITQ) on behalf of National Oceanography
Centre (NOC), Natural Environment Research Council (NERC), UK
Research and Innovation (UKRI)**
Subject: The implementation and provision of a payroll service
Sourcing Reference Number: UK SBS CS19012



UK Shared Business Services Ltd (UK SBS)
www.uksbs.co.uk

Registered in England and Wales as a limited company. Company Number 6330639.
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Version 3.6

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Section 1 – About UK Shared Business Services

Putting the business into shared services

UK Shared Business Services Ltd (UK SBS) brings a commercial attitude to the public sector; helping our Contracting Authorities improve efficiency, generate savings and modernise.

It is our vision to become the leading service provider for the Contracting Authorities of shared business services in the UK public sector, continuously reducing cost and improving quality of business services for Government and the public sector.

Our broad range of expert services is shared by our Contracting Authorities. This allows Contracting Authorities the freedom to focus resources on core activities; innovating and transforming their own organisations.

Core services include Procurement, Finance, Grants Admissions, Human Resources, Payroll, ISS, and Property Asset Management all underpinned by our Service Delivery and Contact Centre teams.

UK SBS is a people rather than task focused business. It's what makes us different to the traditional transactional shared services centre. What is more, being a not-for-profit organisation owned by the Department for Business, Energy & Industrial Strategy (BEIS), UK SBS' goals are aligned with the public sector and delivering best value for the UK taxpayer.

UK Shared Business Services Ltd changed its name from RCUK Shared Services Centre Ltd in March 2013.

Our Customers

Growing from a foundation of supporting the Research Councils, 2012/13 saw Business, Energy and Industrial Strategy (BEIS) transition their procurement to UK SBS and Crown Commercial Services (CCS – previously Government Procurement Service) agree a Memorandum of Understanding with UK SBS to deliver two major procurement categories (construction and research) across Government.

UK SBS currently manages £700m expenditure for its Contracting Authorities. Our Contracting Authorities who have access to our services and Contracts are detailed [here](#).

Privacy Statement

At UK Shared Business Services (UK SBS) we recognise and understand that your privacy is extremely important and we want you to know exactly what kind of information we collect about you and how we use it.

This privacy notice link below details what you can expect from UK SBS when we collect your personal information.

- We will keep your data safe and private.
- We will not sell your data to anyone.

- We will only share your data with those you give us permission to share with and only for legitimate service delivery reasons.

<https://www.uksbs.co.uk/use/pages/privacy.aspx>

For details on how the Contracting Authority protect and process your personal data please follow the link below:

<https://www.ukri.org/privacy-notice/>

Section 2 – About the Contracting Authority

Natural Environment Research Council (NERC)

NERC is the driving force of investment in environmental science. Their leading research, skills and infrastructure help solve major issues and bring benefits to the UK, such as affordable clean energy, air pollution, and resilience of our infrastructure.

<https://nerc.ukri.org/>

The National Oceanography Centre (NOC) is a Research Centre within the non-departmental government body UK Research & Innovation (UKRI), which is a partner organisation of the Department for Business, Energy and Industrial Strategy (BEIS).

Section 3 - Working with the Contracting Authority.

In this section you will find details of your Procurement contact point and the timescales relating to this opportunity.

Section 3 – Contact details		
3.1	Contracting Authority Name and address	UK Research and Innovation (UKRI), Natural Environment Research Council (NERC), National Oceanography Centre (NOC), Polaris House, North Star Avenue, Swindon, SN2 1FF
3.2	Buyer name	Laura Goodhall
3.3	Buyer contact details	professionalservices@uksbs.co.uk 01793 867005
3.4	Estimated value of the Opportunity	Payroll implementation - £50,000.00 (ex VAT, including all expenses) Payroll 2 years service - £50,000.00 (ex VAT, including all expenses) Total contract value - £100,000.00 (ex VAT, including all expenses)
3.5	Process for the submission of clarifications and Bids	All correspondence shall be submitted within the Emptoris e-sourcing tool. Guidance Notes to support the use of Emptoris is available here. Please note submission of a Bid to any email address including the Buyer <u>will</u> result in the Bid not being considered.

Section 3 - Timescales		
3.6	Date of Issue of Contract Advert and location of original Advert	27/02/19 Contracts Finder
3.7	Latest date/time ITQ clarification questions shall be received through Emptoris messaging system	08/03/2019 11.00
3.8	Latest date/time ITQ clarification answers should be sent to all Bidders by the Buyer through Emptoris	12/03/2019 14.00
3.9	Latest date/time ITQ Bid shall be submitted through Emptoris	15/03/2019 14.00
3.10	Anticipated notification date of successful and unsuccessful Bids	28/03/2019 14.00
3.11	Anticipated Award date	03/04/2019
3.12	Anticipated Contract Start date	08/04/2019
3.13	Anticipated Contract End date	30/09/2021
3.14	Bid Validity Period	60 Days

Section 4 – Specification

Introduction

The National Oceanography Centre (NOC) is a Research Centre within the non-departmental government body UK Research & Innovation (UKRI), which is a partner organisation of the Department for Business, Energy and Industrial Strategy (BEIS).

NOC is in the process of becoming an independent charity, which will no longer be within the public sector. NOC is currently provided with a shared service for managing their Finance, Human Resources & Payroll via UK Shared Business Services (UK SBS) on an Oracle 12.1.3 platform. As part of the move to become an independent charity NOC is exiting service provision from UK SBS.

NOC is in the process of implementing Unit 4 Business World in the public cloud to manage its Finance and Human Resources functions.

NOC has a requirement to procure and implement a fully managed payroll service to replace the payroll service currently supplied by UK SBS. NOC will be using the HR system (Unit 4) which is currently being implemented as the source of the HR data that will drive the payroll, and therefore require the supplier of the managed payroll service to enable the interface of data files on a monthly basis to calculate the monthly payments. The data is then to be processed by the supplier to provide gross to net run, payslips and monthly reporting. The supplier is also expected to deal with all payroll queries from staff, referring to the NOC representative as required and must provide a secure method for transferring sensitive data.

Aims & Objectives

The provider will need to be cost effective for NOC and the profile will be assessed across 4 brackets:

- Implementation cost
- Ongoing costs
- Exceptional costs (including estimated likelihood of incurring)
- Contract length, clauses / penalties

Objectives

- The go live date for the new service must be 1st October 2019 with the first payroll payments made at the end of that month. The implementation approach is of particular importance as the exit from UK SBS's service is anticipated to be more challenging than a typical payroll transfer.
- The provider will be expected to liaise with our current provider UK SBS, facilitated by NOC, throughout the implementation. The subject matter expertise does not exist within NOC so we are reliant upon successfully extracting this from UKSBS.
- NOC requires the parallel running of two months of payroll ahead of the go live date. NOC has assigned one FTE from within our People & Skills department and one NOC Project Manager to support the implementation

The objectives of implementing and running the service are:

- The provider will be expected to commit, via a Service Level Agreement, to specific standards and key performance indicators (KPI's) covering the outlined objectives listed above and subject to performance review.
- A smooth and error free transition from the Shared Service Provider (UK SBS) that currently provides Payroll services to the NOC.
- An ongoing relationship that contributes positively to NOC's performance by achieving the optimum balance of
 - Service quality and support level
 - Cost effectiveness
 - Risk management and compliance

Background

The current payroll service for NOC has been provided by UK SBS for the past 9 years. Therefore we no longer retain any expertise in NOC about how this payroll is ran. UK SBS are required to assist during the implementation and parallel running and will be involved in most conversations during this phase.

NOC will create a post for an individual to act as the key liaison with the service provider post go live. During the implementation stage the liaison will take place through the NOC Programme Management Team.

It should be noted that circa 80 of the employees on the payroll are mariners who are sea based and therefore do not have access to existing systems even just for viewing payslips. This is due to poor connectivity when the ships are at sea. The rest of the time they are based at home.

Scope

The scope of this tender is for the implementation of the payroll and then the ongoing service. Whilst we are awaiting final approval on the programme (due April 2019) we can only commit to the implementation costs. Therefore a break clause will be required in this contract pending that approval before we can commit to the ongoing service costs.

Whilst we expect a slight increase in employees over the next two years on the whole the demand should remain relatively static.

Requirement

Monthly Payroll Processing

NOC require the following payrolls to be run each month:

- Main payroll for the NOC Company Limited by Guarantee (CLG) company (circa 470 employees)
- Payroll for NOC Mariners for the NOC CLG company from the same bank account as the main payroll (circa 80 employees)
- Board members and IR35 contractors from the same bank account as the main payroll (between 1-10 individuals)

- Payroll for the NOC Company Limited by Share (CLS) company, separate bank account from the main payroll (circa 10 employees)

The provider will need to supply a full end-to-end payroll service including:

- Implementation and mobilisation of the payroll service
- Processing pay runs on a monthly basis across at least four payroll groups (as above)
- Supplementary payroll runs
- Processing gross to net
- Occupational Sick Pay (OSP) and Statutory Sick Pay (SSP) calculation and payment
- Maternity – including creation of maternity schedules
- Maternity Payback calculations
- Processing new starter information
- Processing termination information
- Processing any other changes such as promotion, increase/decrease in hours, additional duties payments etc.
- Processing of an overtime hours submitted or on call payments
- Processing and payment of un-used holidays
- Processing of third party deductions (child care vouchers etc.)
- Process and submit HMRC deductions to include PAYE SSP, SMP SPP, Student Loans, NI contributions (employers and employees) and apprenticeship Levy
- Process and submit employee and employers pension deductions and payments
- Process additional payments and ad-hoc deductions as required from time to time (including overpayments)
- Calculating and implementing pay awards
- Providing payslips (hardcopy and online, including provision for individual to print their own)
- P11d production
- Issuing required documents e.g. P45, P60 & P11d, including online provision of information
- To provide a standard set of payroll reporting
- Data download for internal reporting requirements HMRC interface as NOC's agent
- Management of NOC CLG Apprenticeship Levy payments to HMRC
- Production of monthly payroll ledger file for loading into Finance system for reconciliation
- First line helpdesk for payroll queries
- To provide expert advice and guidance on all payroll matter to ensure that both the payroll system and service are compliant with and managed in line with UK legislation
- Create NOC-specific payroll procedures
- Produce a payroll handbook for NOC documenting all payroll processes and responsibilities for both parties
- Build an import file and routine by which HR data from the HR system can be Imported into their payroll system

- Able to provide effective pension administration deduction process with more than one third party pension administrator.

BACS provision

- Processing of all (100%) BACS payments by the due date using the NOC SUN number, subject to receipt of all relevant information from NOC in accordance with the payroll timetable
- Ability to make emergency payments outside payroll processing schedule
- BACS processing for third party payments subject to provision of agreements for the NOC with relevant third parties as follows:
 - Student loans
 - Union deductions
 - Childcare Vouchers

HMRC Updates and Year End Actions

- Management of accounts with HMRC, including Electronic Data Interchange for P6 tax code changes and Real Time Information (RTI) Reporting
- Start of year and mid-year tax code uplifts
- End of year filing including the completion and reconciliation of end of year returns relating to RTI, P60 and P11d for taxable expenses and benefits notified by the Company (subject to agreed limits).

Payroll reporting requirements

- Full access to all payroll data, standard and bespoke reports including:
 - Differences report month on month
 - Variance reports
 - Statutory payment reports

Payroll data required for Finance

- Data by sub project £ (Our equivalent to Cost Centre)
- Data by GL Code (Account Code) £
- Data by Band £
- Data by Financial Period £
- Split by Basic Salary, Overtime, NI, Pensions, Advances, Deductions.
- Data provided by month and YTD
- In order to reconcile the balance sheet control accounts the reporting for payments made must be split by:
 - Employee
 - Pension Companies
 - HMRC
 - Garnishee and Other on costs
- The Finance Team are required to produce FTE by the sub-project and GL codes as part of the Board Reporting.

Risk Management and Compliance

The provider will need to have robust measures in place to mitigate operational risk and ensure compliance with tax and employment legislation. NOC have the following mandatory requirements: Reconciliation, validation and auditing procedures

- Authorisation controls

- The quality and reliability of service provider staff including
 - Mode of employment, i.e. are they stable permanent UK based employees
 - UK payroll experience
 - Chartered Institute of Payroll Professionals (CIPP) qualifications
- Procedures for ensuring the service is up-to-date regarding tax and employment legislation
- Positive reputation and references
- Secure and appropriate data management including:
 - Technical security e.g. encryption and system controls
 - Physical security e.g. access permissions and procedures
 - Data protection policy (GDPR)

Business continuity / disaster recovery arrangements

Timetable

The following indicative dates are proposed for the implementation of this service:

Contract Award by early April 2019.

Kick off meetings to include UK SBS in April 2019

First parallel pay run in August 2019

Second parallel pay run in September 2019

Service live on the 1st October 2019 with first pay run payments made on the 30th October 2019 (this target must be met).

Terms and Conditions

Bidders are to note that any requested modifications to the Contracting Authority Terms and Conditions on the grounds of statutory and legal matters only, shall be raised as a formal clarification during the permitted clarification period.

Section 5 – Evaluation model

The evaluation model below shall be used for this ITQ, which will be determined to two decimal places.

Where a question is 'for information only' it will not be scored.

The evaluation team may comprise staff from UK SBS and the Contracting Authority and any specific external stakeholders the Contracting Authority deems required. After evaluation the scores will be finalised by performing a calculation to identify (at question level) the mean average of all evaluators (Example – a question is scored by three evaluators and judged as scoring 5, 5 and 6. These scores will be added together and divided by the number of evaluators to produce the final score of 5.33 ($5+5+6=16\div3=5.33$))

Pass / fail criteria		
Questionnaire	Q No.	Question subject
Commercial	SEL1.2	Employment breaches/ Equality
Commercial	FOI1.1	Freedom of Information Exemptions
Commercial	AW1.1	Form of Bid
Commercial	AW1.3	Certificate of Bona Fide Bid
Commercial	AW3.1	Validation check
Commercial	SEL3.11	Compliance to Section 54 of the Modern Slavery Act
Commercial	SEL3.12	Cyber Essentials
Commercial	SEL3.13	General Data Protection Regulations (GDPR)
Commercial	AW4.1	Contract Terms Part 1
Commercial	AW4.2	Contract Terms Part 2
Price	AW5.5	E Invoicing
Price	AW5.6	Implementation of E-Invoicing
Quality	AW6.1	Compliance to the Specification
Quality	AW6.2	Variable Bids
Quality	AW6.3	Specification Compliance Supporting Evidence
Quality	AW6.4	CIPP qualifications
Quality	AW6.5	Capacity to complete deliverables within the required timeframe

Scoring criteria

Evaluation Justification Statement

In consideration of this particular requirement the Contracting Authority has decided to evaluate Potential Providers by adopting the weightings/scoring mechanism detailed within this ITQ. The Contracting Authority considers these weightings to be in line with existing best practice for a requirement of this type.

Questionnaire	Q No.	Question subject	Maximum Marks
Price	AW5.2	Price	100%

Evaluation of criteria

Price elements will be judged on the following criteria.

The lowest price for a response which meets the pass criteria shall score 100. All other bids shall be scored on a pro rata basis in relation to the lowest price. The score is then subject to a multiplier to reflect the percentage value of the price criterion.

For example - Bid 1 £100,000 scores 100.

Bid 2 £120,000 differential of £20,000 or 20% remove 20% from price scores 80

Bid 3 £150,000 differential £50,000 remove 50% from price scores 50.

Bid 4 £175,000 differential £75,000 remove 75% from price scores 25.

Bid 5 £200,000 differential £100,000 remove 100% from price scores 0.

Bid 6 £300,000 differential £200,000 remove 100% from price scores 0.

Where the scoring criterion is worth 50% then the 0-100 score achieved will be multiplied by 50.

In the example if a supplier scores 80 from the available 100 points this will equate to 40% by using the following calculation: Score/Total Points multiplied by 50 ($80/100 \times 50 = 40$)

The lowest score possible is 0 even if the price submitted is more than 100% greater than the lowest price.

Section 6 – Evaluation questionnaire

Bidders should note that the evaluation questionnaire is located within the **e-sourcing questionnaire**.

Guidance on completion of the questionnaire is available at <http://www.uksbs.co.uk/services/procure/Pages/supplier.aspx>

PLEASE NOTE THE QUESTIONS ARE NOT NUMBERED SEQUENTIALLY

Section 7 – General Information

What makes a good bid – some simple do's 😊

DO:

- 7.1 Do comply with Procurement document instructions. Failure to do so may lead to disqualification.
- 7.2 Do provide the Bid on time, and in the required format. Remember that the date/time given for a response is the last date that it can be accepted; we are legally bound to disqualify late submissions. Responses received after the date indicated in the ITQ shall not be considered by the Contracting Authority, unless the Bidder can justify that the reason for the delay, is solely attributable to the Contracting Authority
- 7.3 Do ensure you have read all the training materials to utilise e-sourcing tool prior to responding to this Bid. If you send your Bid by email or post it will be rejected.
- 7.4 Do use Microsoft Word, PowerPoint Excel 97-03 or compatible formats, or PDF unless agreed in writing by the Buyer. If you use another file format without our written permission, we may reject your Bid.
- 7.5 Do ensure you utilise the Emptoris messaging system to raise any clarifications to our ITQ. You should note that we will release the answer to the question to all Bidders and where we suspect the question contains confidential information we may modify the content of the question to protect the anonymity of the Bidder or their proposed solution
- 7.6 Do answer the question, it is not enough simply to cross-reference to a 'policy', web page or another part of your Bid, the evaluation team have limited time to assess bids and if they can't find the answer, they can't score it.
- 7.7 Do consider who the Contracting Authority is and what they want – a generic answer does not necessarily meet every Contracting Authority's needs.
- 7.8 Do reference your documents correctly, specifically where supporting documentation is requested e.g. referencing the question/s they apply to.
- 7.9 Do provide clear, concise and ideally generic contact details; telephone numbers, e-mails and fax details.
- 7.10 Do complete all questions in the questionnaire or we may reject your Bid.
- 7.11 Do ensure that the Response and any documents accompanying it are in the English Language, the Contracting Authority reserve the right to disqualify any full or part responses that are not in English.
- 7.12 Do check and recheck your Bid before dispatch.

What makes a good bid – some simple do not's ☹

DO NOT

- 7.13 Do not cut and paste from a previous document and forget to change the previous details such as the previous buyer's name.
- 7.14 Do not attach 'glossy' brochures that have not been requested, they will not be read unless we have asked for them. Only send what has been requested and only send supplementary information if we have offered the opportunity so to do.
- 7.15 Do not share the Procurement documents, they are confidential and should not be shared with anyone without the Buyers written permission.
- 7.16 Do not seek to influence the procurement process by requesting meetings or contacting UK SBS or the Contracting Authority to discuss your Bid. If your Bid requires clarification the Buyer will contact you. All information secured outside of formal Buyer communications shall have no Legal standing or worth and should not be relied upon.
- 7.17 Do not contact any UK SBS staff or the Contracting Authority staff without the Buyers written permission or we may reject your Bid.
- 7.18 Do not collude to fix or adjust the price or withdraw your Bid with another Party as we will reject your Bid.
- 7.19 Do not offer UK SBS or the Contracting Authority staff any inducement or we will reject your Bid.
- 7.20 Do not seek changes to the Bid after responses have been submitted and the deadline for Bids to be submitted has passed.
- 7.21 Do not cross reference answers to external websites or other parts of your Bid, the cross references and website links will not be considered.
- 7.22 Do not exceed word counts, the additional words will not be considered.
- 7.23 Do not make your Bid conditional on acceptance of your own Terms of Contract, as your Bid will be rejected.
- 7.24 Do not unless explicitly requested by the Contracting Authority either in the procurement documents or via a formal clarification from the Contracting Authority send your response by any way other than via e-sourcing tool. Responses received by any other method than requested will not be considered for the opportunity.

Some additional guidance notes

- 7.25 All enquiries with respect to access to the e-sourcing tool and problems with functionality within the tool must be submitted to Crown Commercial Service (previously Government Procurement Service), Telephone 0345 010 3503.
- 7.26 Bidders will be specifically advised where attachments are permissible to support a question response within the e-sourcing tool. Where they are not permissible any attachments submitted will not be considered as part of the evaluation process.
- 7.27 Question numbering is not sequential and all questions which require submission are included in the Section 6 Evaluation Questionnaire.
- 7.28 Any Contract offered may not guarantee any volume of work or any exclusivity of supply.
- 7.29 We do not guarantee to award any Contract as a result of this procurement
- 7.30 All documents issued or received in relation to this procurement shall be the property of the Contracting Authority. / UKSBS.
- 7.31 We can amend any part of the procurement documents at any time prior to the latest date / time Bids shall be submitted through Emptoris.
- 7.32 If you are a Consortium you must provide details of the Consortiums structure.
- 7.33 Bidders will be expected to comply with the Freedom of Information Act 2000 or your Bid will be rejected.
- 7.34 Bidders should note the Government's transparency agenda requires your Bid and any Contract entered into to be published on a designated, publicly searchable web site. By submitting a response to this ITQ Bidders are agreeing that their Bid and Contract may be made public
- 7.35 Your bid will be valid for 60 days or your Bid will be rejected.
- 7.36 Bidders may only amend the contract terms during the clarification period only, only if you can demonstrate there is a legal or statutory reason why you cannot accept them. If you request changes to the Contract terms without such grounds and the Contracting Authority fail to accept your legal or statutory reason is reasonably justified, we may reject your Bid.
- 7.37 We will let you know the outcome of your Bid evaluation and where requested will provide a written debrief of the relative strengths and weaknesses of your Bid.
- 7.38 If you fail mandatory pass / fail criteria we will reject your Bid.
- 7.39 Bidders are required to use IE8, IE9, Chrome or Firefox in order to access the functionality of the Emptoris e-sourcing tool.
- 7.40 Bidders should note that if they are successful with their proposal the Contracting Authority reserves the right to ask additional compliancy checks prior to the award of any Contract. In the event of a Bidder failing to meet one of the compliancy checks

the Contracting Authority may decline to proceed with the award of the Contract to the successful Bidder.

- 7.41 All timescales are set using a 24-hour clock and are based on British Summer Time or Greenwich Mean Time, depending on which applies at the point when Date and Time Bids shall be submitted through Emptoris.
- 7.42 All Central Government Departments and their Executive Agencies and Non-Departmental Public Bodies are subject to control and reporting within Government. In particular, they report to the Cabinet Office and HM Treasury for all expenditure. Further, the Cabinet Office has a cross-Government role delivering overall Government policy on public procurement - including ensuring value for money and related aspects of good procurement practice.

For these purposes, the Contracting Authority may disclose within Government any of the Bidders documentation/information (including any that the Bidder considers to be confidential and/or commercially sensitive such as specific bid information) submitted by the Bidder to the Contracting Authority during this Procurement. The information will not be disclosed outside Government. Bidders taking part in this ITQ consent to these terms as part of the competition process.

- 7.43 The Government introduced its new Government Security Classifications (GSC) classification scheme on the 2nd April 2014 to replace the current Government Protective Marking System (GPMS). A key aspect of this is the reduction in the number of security classifications used. All Bidders are encouraged to make themselves aware of the changes and identify any potential impacts in their Bid, as the protective marking and applicable protection of any material passed to, or generated by, you during the procurement process or pursuant to any Contract awarded to you as a result of this tender process will be subject to the new GSC. The link below to the Gov.uk website provides information on the new GSC:

<https://www.gov.uk/government/publications/government-security-classifications>

The Contracting Authority reserves the right to amend any security related term or condition of the draft contract accompanying this ITQ to reflect any changes introduced by the GSC. In particular where this ITQ is accompanied by any instructions on safeguarding classified information (e.g. a Security Aspects Letter) as a result of any changes stemming from the new GSC, whether in respect of the applicable protective marking scheme, specific protective markings given, the aspects to which any protective marking applies or otherwise. This may relate to the instructions on safeguarding classified information (e.g. a Security Aspects Letter) as they apply to the procurement as they apply to the procurement process and/or any contracts awarded to you as a result of the procurement process.

USEFUL INFORMATION LINKS

- [Emptoris Training Guide](#)
- [Emptoris e-sourcing tool](#)
- [Contracts Finder](#)
- [Equalities Act introduction](#)
- [Bribery Act introduction](#)
- [Freedom of information Act](#)