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1. PURPOSE

- 1.1 The target for efficiencies from civil service reform of around £10bn by 2017/18, and between £15-20bn by 2020, cannot be delivered without changes to working practices and building central capability. This contract is to support the strengthening of the critical professions required to drive the CS reform agenda; boosting government capabilities and making efficiency savings. These critical functions include digital, commercial and project delivery.
- 1.2 This contract will support government departments and the CS Employee Policy Pay and Reward Service by:
- 1.2.1 Supporting the cross-Departmental strategic approach to Pay and Reward
 - 1.2.2 Sharing knowledge and expertise
 - 1.2.3 Engaging with stakeholders to communicate and advise upon key Pay and Reward issues
- 1.3 There is also a requirement to provide departments with comprehensive market pay data across the public, private and not for profit sectors, to inform their reward strategies.
- 1.4 The only viable option to gain this pay benchmarking data is to use an external resource. Suppliers in this market will have access to a comprehensive pay database. This type and level of data set is not available within the Civil Service. The Authority have been using this approach successfully for a number of years.

2. BACKGROUND TO THE CONTRACTING AUTHORITY

- 2.1 Civil Service Employee Policy (CSEP), the main sponsor of the project, was launched in April 2011 and is one of the Expert Services established under Civil Service HR. They provide a specialist HR policy service across Government Departments to promote simplified and modernised policies and people practices.
- 2.2 CSEP provides a Pay and Reward Service to support the improvement and quality of reward strategies and practices across departments, so as to build expert capability in the Civil Service and fit with the ongoing reform of the Civil Service of the future.

3. BACKGROUND TO REQUIREMENT/OVERVIEW OF REQUIREMENT

- 3.1 Supporting the cross-Departmental strategic approach to Pay and Reward by supplying market insight in regard to designated professions and functions, design and delivery of consulting projects and leading edge reward diagnostics and analytical skills.
- 3.2 Departments and agencies have had the Authority to develop terms and conditions for their staff below the Senior Civil Service (SCS) since the early 1990's with full delegation from April 1996. For some time, Cabinet Office (CO) and HM Treasury have been working with departments to improve the operation of the delegated pay arrangements. As part of this work it was decided there was a need for common sources of market pay data to be made available to departments to inform their reward strategies.
- 3.3 The previous contract to supply external market pay benchmarking data across the Civil Service has now expired. It has been agreed with departments that CS Pay and

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Reward will continue to procure this service, and to facilitate a tender exercise to continue purchasing such data on their behalf.

- 3.4 In previous years there have been two procurement exercises as the benchmarking requirement and reward consultancy support requirement have been kept separate. However, it makes commercial sense to incorporate the requirements of both previous contracts into one.

4. SCOPE OF REQUIREMENT

- 4.1 Supporting the cross-Departmental strategic approach to Pay and Reward:

- 4.1.1 Review, recommend and support implementation of pay and reward strategies and systems with departments
- 4.1.2 Pay and Reward challenges currently facing departments, including specialist pay and the removal of contractual pay progression
- 4.1.3 Undertake research and make recommendations to address strategic pay and reward challenges, presenting these findings in report format to senior stakeholders
- 4.1.4 Provide insight and experience on employee relations and engagement issues

- 4.2 Sharing knowledge and expertise:

- 4.2.1 Provide the Civil Service with access to comprehensive market pay information, to allow appropriate benchmark data to be provided for each Civil Service pay level (including SCS), and reward intelligence against employment sector, job family and geographic region.
- 4.2.2 Critically review a range of CS Employee Policy tools and products for use with departments, including toolkits, workshops and other bespoke materials
- 4.2.3 Deliver up-skilling and training to the CS Employee Policy team, to include consultancy skills and technical pay and reward knowledge

- 4.3 Engage with stakeholders to communicate and advise upon key Pay and Reward issues

- 4.3.1 Co- design and facilitate CS Employee Policy events for stakeholders at a variety of levels. This will include high profile events for HR Directors and senior practitioners as well as workshops
- 4.3.2 With CS Employee Policy, attend and/or co-facilitate meetings with departmental representatives to discuss issues and develop solutions
- 4.3.3 Act in an advisory capacity to departments, assisting them with the development of pay and reward strategies and systems

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4.4 Further work depending on the requirements set from departments and the demand placed on the CS Employee Policy Pay and Reward Service throughout the duration of the contract.

4.4.1 Additional bespoke work items, agreed between CS Employee Policy and the supplier

5. THE REQUIREMENT

5.1 For the consultancy support aspect of the contract, the supplier must be able to meet the requirements outlined in Section 4.

5.2 Where a supplier is bidding for the pay benchmarking lot they must have access to, or the means of quickly establishing access to, a comprehensive pay database covering the wider public sector, not for profit sector and the private sector, to provide comparator benchmark data for base pay, total cash and total remuneration.

5.3 The database must be able to provide market data, based on actual salaries, for jobs external to the Civil Service, analogous to the full range of traditional mainstream Civil Service levels, including the Senior Civil Service (SCS), but also for departments that do not have the classic Civil Service levels to be able to read across.

5.4 The supplier must also have, or have access to, a robust method of matching Civil Service roles to comparator jobs, whether or not this is done through a job evaluation scheme that will enable pay data to be provided taking account of job weight.

5.5 As well as overall 'general' data, the supplier must also be able to provide comparator data to meet the majority of requests for pay data by job families/specialist roles that may be specific to particular departments. These will include, Finance, Law, and IT/Digital but will also include data on a full range of specialist data.

5.6 In addition to providing the basic benchmark data, the supplier will provide regular information to put that benchmark data into context, reflecting trends and influences over time, the economic background, and variation by geography and job family etc. In the past this information has been provided as a formal annual report but more regular quarterly input, or an on line service/interactive data may equally be appropriate. In recent years this has been achieved through the production of an annual report (previously March/April), based on the most recently available data at that point.

5.7 As far as sample sizes allow, it will be necessary to provide analysis of these data for jobs of comparable weight elsewhere in the economy, by median, upper and lower quartile, nationally and by specified region and/or hot spots as required.

5.8 It should be possible to audit the use of the appropriate levels by analysing example Job Descriptions from within or outside the Civil Service to ensure that the comparator salaries match.

6. REPORTING

6.1 A benchmarking pay report should be provided in an appropriate format containing the written analysis and tables regarding the required benchmark data for dissemination to Departments and according to the timetables set out.

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- 6.2 The report should include:
- 6.2.1 the most up-to-date data on pay levels and movements which are equivalent to the generic Civil Service levels (Grades) of Administrative Assistant to SCS Pay Band 3 (Director General) and an agreed set of specialist roles and jobs (including – Finance, Law, IT/Digital) of comparable weight elsewhere in the economy, by lower; median; and upper quartile covering national, regional and local pay differentials.
 - 6.2.2 a brief commentary on the key developments and changes that have taken place in the labour market over the last twelve months. If the contract is extended, the supplier will need to provide a brief commentary on the key developments and changes that have taken place in the data from that presented in the previous report. There should be flexibility to alter the timing of the report if required.
 - 6.2.3 a local pay map following the methodology of grouping together similar median private sector salaries into pay zones to provide a regional breakdown of the country.
 - 6.2.4 a measure for converting the current civil service total reward package (e.g. Total Remuneration including the value of pension, sick leave etc.) into comparable format for comparison against the total remuneration data provided for public and private sector comparators. The supplier will provide a breakdown of the methodology for the total remuneration data has been calculated. The supplier will also include in the report upper and lower quartiles for selected data sets, e.g. professional roles within selected regions, local pay zones, etc.

7. CONTINUOUS IMPROVEMENT

- 7.1 The Potential Provider will be expected to continually improve the way in which the required Services are to be delivered throughout the Contract duration.
- 7.2 Changes to the way in which the Services are to be delivered must be brought to the Authority's attention and agreed prior to any changes being implemented.
- 7.3 Reward Consultancy support will benefit the cross-departmental strategic approach to pay and reward.

8. PRICE

- 8.1 Prices are to be submitted via the eSourcing Suite, excluding VAT. The Pricing Matrix – Appendix E should be fully populated with a breakdown of all costs to deliver the requirements set out.

9. STAFF AND CUSTOMER SERVICE

- 9.1 The Authority requires the Potential Provider to provide a sufficient level of resource throughout the duration of the Civil Service Pay and Related Benchmarking Contract in order to consistently deliver a quality service to all Parties.
- 9.2 Potential Provider's staff assigned to the Civil Service Pay and Related Benchmarking Contract shall have the relevant qualifications and experience to deliver the Contract.

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- 9.3 The Potential Provider shall ensure that staff understand the Authority's vision and objectives and will provide excellent customer service to the Authority throughout the duration of the Contract.

10. SERVICE LEVELS AND PERFORMANCE

- 10.1 The Authority will measure the quality of the Supplier's delivery by:

10.1.1 A mandatory review of the operational necessity of the contract will take place within 3 months and then at 6 months. CS Employee Policy will work with the supplier to evaluate success and review lessons learned throughout the contract. Performance will be monitored through regular meetings and discussions, the frequency of these will be determined by the delivery of work packages according to the demand placed upon the service. Terms of reference for each work package will be agreed with the supplier prior to delivery, including deliverables, the timeframe, milestones, consultancy resource and costs.

- 10.2 Performance will be assessed according to the following criteria and measures:

- 10.3 Quality of services / products delivered:

10.3.1 Measured against what has been agreed in the terms of reference

10.3.2 Following contract award the Provider will be required to meet with Civil Service Employee Policy prior to and after the provision of the final pay benchmarking report to review the operation of the contract and to address any emerging issues.

10.3.3 A draft report/online service/interactive data (with supporting data tables) as outlined in 5.6 will be delivered to Civil Service Employee Policy in the first instance by the end of December 2016 at the latest. A final report/online service/interactive data with supporting data tables will be delivered to Civil Service Employee Policy by end of January 2017. This timeframe for delivery will also apply for subsequent years should the contract be extended.

- 10.4 Customer Satisfaction with the service(s) / product delivered:

10.4.1 Measured through feedback and surveys from departments and the CS Employee Policy team, following delivery of work packages

10.4.2 We expect that of 95% of customers will be satisfied or very satisfied with the products / service provided by the supplier

11. INTELLECTUAL PROPERTY RIGHTS (IPR)

- 11.1 It is not the intention of Civil Service Employee Policy to seek ownership of the database at any point in the future, and neither is it the intention of Civil Service Employee Policy to develop such a database in partnership with the supplier. The database will remain the property of the supplier.



12. PAYMENT

12.1 An invoice will need to be submitted with a valid Purchase Order number and sent to:

12.1.1 Electronic invoicing –

12.1.1.1 This is the preferred method of invoicing for the Authority. Please send all electronic invoices to our shared service provider at:

(a) SSCL.POINVOICEPAYMENTS@DWP.GSI.GOV.UK

12.1.2 Manual invoicing –

12.1.2.1 SSCL Accounts Payable Team

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