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Annex 2

Statement of Requirements

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**Version 2.0**

**Date: 29 June 2016**

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# Overview

## Purpose of this Document

(B)The purpose of this document is to provide suppliers with full details of the Department of Health’s (DH, the Department) requirements for a new Corporate Service Solution that will form the basis for an appropriate contract.

(B) Note that throughout this document requirements are prefixed by a letter in brackets as defined in section 4.1.2.

(B) Throughout this document the word ‘Supplier’ means the body completing these questions i.e. the legal entity responsible for the information provided and ultimately the service provided.

## Introduction and Background

(B) The Department has established a programme called the Corporate Service Improvement Programme (CSIP) which is an umbrella programme to improve the way staff within the Department access corporate services. Corporate services are defined in this context as Finance, Purchase-to-Pay (P2P), payroll and HR.

(B) The Department‘s existing core system is called the Business Management System (BMS) and is used for Finance, procurement, P2P and HR. BMS is an Oracle Financials e-business v11.5.10.2 system supported by NHS SBS. Payroll is a separate system called ePayfact from CGI and is currently delivered as a semi managed service.

(B) Department users often feel they do not get a satisfactory experience when they access corporate services. There is low availability of self-service and what is available could be better in terms of the user experience. There is also a general lack of automation between BMS and payroll, and there are many HR services that are not computerised and reliant on paper records. There is a myriad of local Excel systems and workarounds to make up for poor management information.

(B) CSIP went through a discovery process internally to understand the current status of key Corporate Services. This exercise resulted in many improvement opportunities being identified with staff volunteering to help deliver the programme.  The improvement opportunities have been developed into a core set of internally driven business change work packages, aligned to the following design principles:

* **Business process change:**  Where possible, approved changes to business processes or ways of working will be implemented through a change model ahead of implementation of the new Solution. This is to ‘front load’ aspects that can be done early to help de-risk the implementation and align with standardising processes.
* **Accountability and responsibility**: CSIP will drive a change in the organisational approach and culture, promoting leadership accountability and good governance, and supporting accountability initiatives.
* **One version of the truth:** The delivery of clearly defined and high quality Management Information will be key to the success of the solution, removing the need to develop local MS Excel alternatives. Data will be entered into the new Solution once (where possible) and re-used across other service areas.
* **Enabling technology:** The new technology will enable a greater degree of self-service, with staff being accountable for their own information and actions and making use of digital solutions where possible – such as mobile phone apps etc.
* **One way of doing things:** The use of the new Solution and the following of standard business processes will be mandated to support consistency and standardisation.

# Business Drivers

(B) The objective of the CSIP programme is to improve how the Department delivers corporate services to the business, and how the business is then a more intelligent user of those services, through the use of better tools and greater management intelligence.

(B) Investment is needed to improve how users experience corporate services, by making processes leaner and more commercial, and providing better tools and information to users (such as more electronic self-service and Management Information).

(B) The Department’s ambition is that users of corporate services can access those services in a way that is efficient and effective, underpinned by an enhanced user experience. This specifically means:

* moving more services to ‘self-service’ and providing fit-for-purpose management information to support a greater degree of individual accountability;
* removing unnecessary bureaucracy by identifying and realising opportunities for efficiencies including greater automation of processes, improving the user experience; and procuring and implementing a replacement for the Business Management System (BMS) by 31 March 2017. BMS was implemented in 2007 and has now reached the end of its life and must be replaced*;* and
* realising financial savings including reducing the need for business intermediaries.

(B) The vision for the programme is to ensure that the finance, P2P, HR and Payroll solution is:

* easy to use – focused on the user experience;
* services are delivered by way of self-service wherever possible, rather than relying on business intermediaries;
* easy to understand and intuitive; and
* enable decision makers to access robust and timely management information when they need it.

Thus enabling the Department to become more effective and efficient in the way that it manages its business.

# Approach

## Procurement approach

(B) The procurement will be delivered through a Competitive with Negotiation OJEU procurement.

(B) The Department is looking to contract with a Supplier that can deliver a solution that can meet the following key business requirements:

* Deliver key functionality for HR, elements of Payroll, Finance and Purchase-to-Pay (P2P);
* Provide a solution that is off-premise and fully managed by the supplier;
* Deliver the implementation of the solution, including the supplier being responsible for:
  + The design, setup and configuration of the solution for each functional area, including workflows;
  + Building and testing any interfaces needed between the core systems;
  + Development and planning of end-user training. The Department wants to select a system which is intuitive and easy-to-use to reduce the training burden;
  + Support the Department in defining new business processes, adopting best in class commercial business processes as governed by the new technology;
  + Support for the migration of reference and transactional data into the new solution; and
  + Transferring skills to enable the Department to undertake and manage configuration and workflow changes so it can manage the on-going user experience.
* Provide a technical support desk to ensure the system continues to operate.

## Working approach

(B) The Department is looking to form a collaborative working relationship with a Supplier.

(B) To achieve the benefits and cost savings the Department is looking to adopt best practice, best in class commercial business processes and innovative functionality wherever possible.

(B) The working relationship should support the Department being able to effectively manage the user experience such that it can continuously improve the Solution. This will include the addition of new packages or applications and undertaking and managing future configuration work to support new process models and flows and organisational changes with minimal specialist IT skills.

# Overview of the Requirements

## Introduction

(B) The Department is issuing this Statement of Requirements (SoR) as part of the procurement of a new Corporate Services Solution and associated implementation services to replace the existing Oracle (BMS) solution service with a target transition date of 31 March 2017 for phase 1.

(B) Throughout this SoR, the importance of each requirement will be abbreviated as follows:-

* **Mandatory (M)** – These are requirements which the Department regards as the most important requirements as specified in the SoR. There are a high volume of requirements that have been identified as mandatory. However, the Department is keen to explore alternative or innovative services where these are felt to be beneficial and therefore reserves the right to accept proposals that do not satisfy mandatory requirement(s) where the overall response is considered to provide a satisfactory alternative service. If bidders choose not to, or are unable to, comply with a mandatory requirement as described but feel they can provide a service to meet the underlying business requirement in an alternative but satisfactory manner then they should indicate this in their response and outline the alternative. The Department will clarify whether the proposed alternative is acceptable or not. If, after such clarification, a bidder is still not compliant with a mandatory requirement and does not provide the Department with an acceptable solution to this requirement, then the Department reserves the right to disqualify the bidder from this Procurement.
* **Desirable (D)** – These are requirements to be provided by the bidder as part of the provision of the service. It indicates that the requirement described is felt to be particularly valuable and will be scored accordingly during evaluation. Failure to comply with a desirable requirement will result in the tender being marked down but will not result in disqualification. Where appropriate a separate cost may be associated with these requirements.
* **Optional (O)** – These are requirements that the Department sees as beneficial within the provision of the proposed service. Failure to comply with an optional requirement will not result in your tender being marked down and will not result in disqualification. However, where optional requirements are available within the core service at no additional charge they will be seen to strengthen the bid and influence the marking of section S3 (technical merit and innovation) only. For the avoidance of doubt, the optional requirements will not influence the marking of S1 (price over 5 years' service life). Further details regarding the award criteria can be found in Annex 3 of the ITSFT.
* **Background Information (B)** – This indicates general or specific information provided to you which should be taken into account when responding to the related mandatory, desirable, optional and information requirements.

## Key solution elements

(B) The Department requires a solution that will provide core functionality, with the ability to extend the solution to include best in class packages.

(B) Core functionality is to include (also see Table 1):

* Employee Self Service (including change of HR and bank details, requesting leave, recording sickness, completing appraisals etc.);
* Manager Self Service (including approval of employee actions e.g. requests for leave, or for changes impacting pay);
* Core HR management, performance management and skills management;
* Payroll and pay modelling;
* General Ledger, Accounts Receivable, non-current assets, Cash Management, VAT, and budgeting and forecasting;
* Purchase to pay (including requisition, purchase orders, catalogues, e-Invoicing etc.)
* Staff expenses;
* Time recording (which must be able to be implemented for a small user base); and
* Management information.

(B) In addition to the provision of core functionality the solution must also provide a workflow ‘engine’ and management information ‘backbone’ to enable the Department to manage the operational user experience through the addition of electronic services or apps, the creation and modification of business process workflows, and dashboards or reports.

(B) DH have now decided to outsource their Payroll operation to CGI. However, the business users will require a seamless and interoperable experience between the Corporate services Solution and Payroll, wherever situated. As a result elements of Payroll functionality may still be required within the Corporate Services Solution and/or the interface. The pertinent Payroll requirements in section 6 have been retained, such that any elements required to provide interoperable Payroll within the Corporate Services Solution can be evaluated.

(B) The preferred timing of the delivery of the above functionality is shown below. This is to coincide with the most business benefit and the requirement to transition off the BMS platform on time.

Table 1:

| Area | Requirements | 1st Phase  (by March 2017) | 2nd Phase  (During 2017) |
| --- | --- | --- | --- |
| **Finance** | General Ledger & budgeting | Y |  |
| Accounts Receivable | Y |  |
| Cash Management | Y |  |
| Non-current assets | Y |  |
| VAT | Y |  |
| **P2P** | eProc, catalogues, workflow, AP, grants AP etc. | Y |  |
| **Expenses** | Employee expenses | Y |  |
| **Time** | Time Recording | Y |  |
| **HR** | Manager self service | Y |  |
| Employee self service | Y |  |
| Absence Management | Y |  |
| Hierarchies | Y |  |
| Skills Management |  | Y |
| Talent Management |  | Y |
| Performance Management | Y |  |
| Workflow & electronic forms | Y |  |
| **Payroll** | Payroll with integrations to HR and finance | Y |  |
| **Interfaces** | Inc. interfaces to existing payroll (ePayfact) | Y |  |
| **Reporting** |  | Y |  |

# Key Principles

## Introduction

(B) The requirements listed in this section are key to the success of the new Corporate Services Solution.

(B) The Department requires a Solution that is flexible and extendible to enable the Department to continuously improve their business operation.

(B) The Department is seeking to automate as much of their business processes as possible to eliminate manual intervention and improve efficiency.

(B) User stories are included in Appendix B. These are intended to show a typical set of business activities in the Department and expected system outcomes. These user stories should inform Suppliers’ responses to this section and the requirements in section 6.

## Ability to manage and change the user experience

(M) The Corporate Services Solution shall provide the tools and mechanisms to allow the Department to manage and change the user experience layer after initial configuration, without technical or specialist knowledge or support from the supplier, to support continuous improvement and organisational change throughout the life of the contract, to include the ability to:

* Create and modify business processes/workflows with creation, amendment and management of workflows and forms;
* Create, modify and manage dashboards and reports to access data across the Corporate Services Solution as required;
* Modify the appearance of screens and/or create personalised screens;
* Maintain system structures and mass movements (such as cost centre changes) with a minimum of user intervention.

(M) The Corporate Services Solution shall allow the addition, removal, modification and management of new electronic services, packages or apps (which could be third party) by the Department, throughout the life of the contract, such that the Department can enhance and enrich the user experience and exploit innovative functionality, where deemed to be of value.

## Ease of Use

(M) The Corporate Services Solution shall provide a modern standardised web look and feel that is intuitive so staff can access key functionality easily and use the system with minimal training to include:

* The same look and feel across different functional areas;
* A simple Graphical User Interface (GUI) that can enable users to move and manipulate data around the screen;
* Technology such as drag and drop, to make processes such as reporting and workflow maintenance as easy as possible;
* Conformance to the World Wide Web Consortium (W3C), Level AA standard – includes WAI and WCAG (Web Content Accessibility Guidelines) 2.0;
* Access technologies to support the Public Sector Duty of the Equality Act 2010 to ensure any employees should not be disadvantaged should they be disabled, such as Jaws, Dragon, Inspiration, OpenBook, Texthelp and ZoomText to carry out any actions that are core to an individual’s job and control of font size and colour, either within the solution itself or through standard browser or environmental accessibility settings;
* Processes requiring input from users should be intuitive and require as few clicks as possible to achieve the desired outcome;
* A level of personalisation for key areas of regularly used functionality. Suppliers are required to provide details of the scope of personalisation available including forms, menu options, favourites etc.

(M) The Corporate Services Solution shall provide interactive and contextual help and search facilities that include help files and FAQs (Frequently Asked Questions) that are readily accessible at the point of data entry to encourage their usage. The help and search facility should enable users to use the system to resolve issues wherever possible, calling first line support only in case of technical issues.

(M) The Corporate Services Solution shall allow the Department to upload the Department’s specific guidance and policies to support users in the completion of tasks and provide a search type facility to enable users to find the policy and guidance available, which can be updated and amended without supplier support.

(M) The Corporate Services Solution shall allow the Department to attach documents to records or workflows.

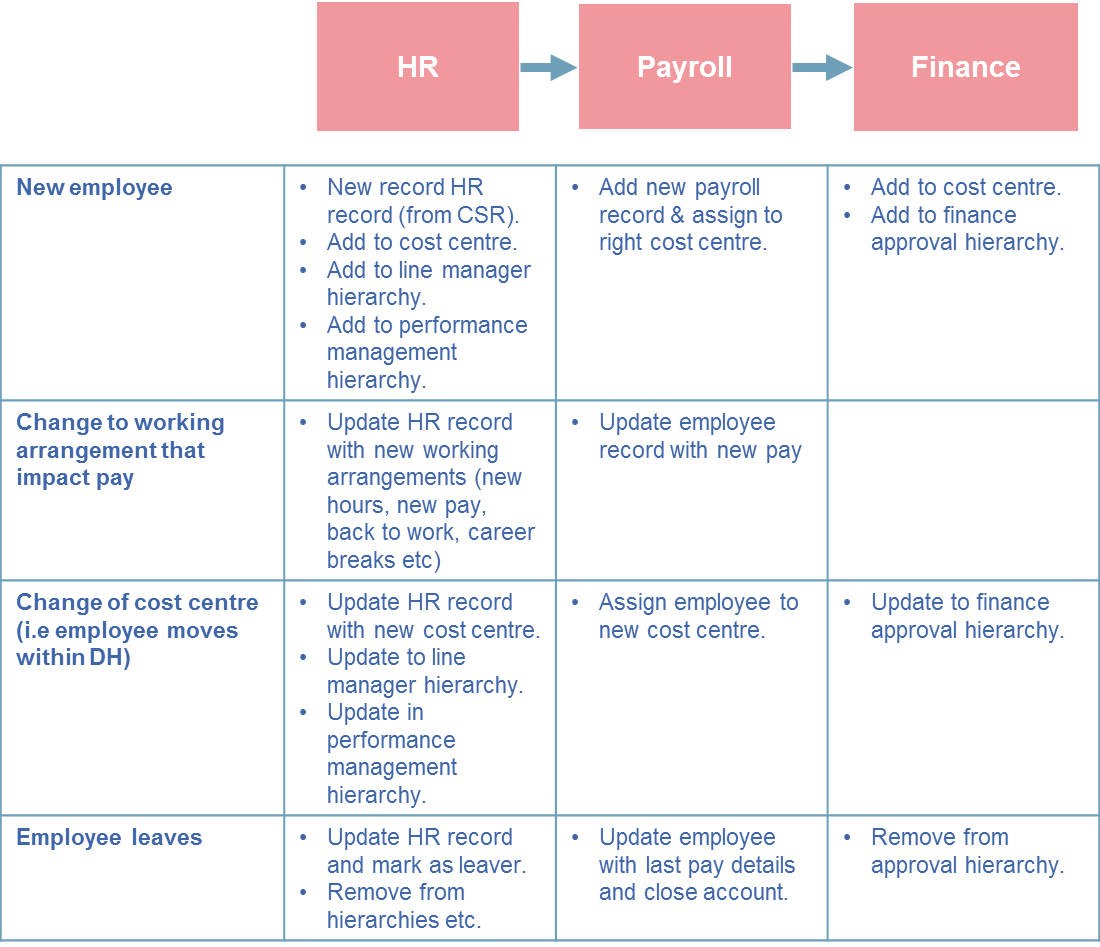
## Self-Service

(M) The Corporate Services Solution shall provide self-service functionality, in line with the detailed requirements in section 6 of this document, including approval of transactions by specified persons and delegation of self-service functionality, as required, through a controlled and defined process.

(D) The Corporate Services Solution shall provide mobile applications to deliver self-service functionality. If mobile applications are not available, then the Supplier should indicate whether this functionality is planned within the lifetime of the proposed service and when or what support is available to the Department to develop their own mobile applications. To note, the Department would not consider applications that store data on the mobile device.

## Interoperable core solution

(B) The Department requires a fully interoperable solution across the core functional areas of HR, Payroll, Finance and P2P activities. The diagram below shows the minimum integration required between HR, Payroll and Finance:



(M) The Corporate Services Solution shall provide interoperability across HR, Payroll, Finance and P2P functions to enable the Department to manage efficient cross functional business processes. Suppliers shall describe how the solution provides the required level of interoperability, across the proposed product set(s), to include:

* Management and automation of cross functional transactions and associated data *across* the core business areas of HR, Payroll, Finance and P2P with visibility of transaction status, a minimum of manual intervention and without the duplication or re-entry of data (i.e. data only entered once);
* Amendment or cancellation of cross functional transactions with automatic reversal of associated data *across* the core business areas of HR, Payroll, Finance and P2P with visibility of transaction status, a minimum of manual intervention and without the duplication or re-entry of data;
* Provision of an audit trail for cross functional transactions *across* the core business areas of HR, Payroll, Finance and P2P.

(M) The Corporate Services Solution shall provide an interoperable solution within each of the core functional areas of the solution. Suppliers shall describe how the solution provides the required level of interoperability, across the proposed product set(s), to include:

* Delivery of *integrated* HR functionality, *across* the key elements of HR functionality required as described in section 6;
* Delivery of *integrated* Payroll functionality, *across* the key elements of Payroll functionality required as described in section 6;
* Delivery of *integrated* Finance functionality, *across* the key elements of Finance functionality required as described in section 6;
* Delivery of *integrated* P2P functionality, *across* the key elements of P2P functionality required as described in section 6.

## Package based solution with open standards

(M) The Corporate Service Solution shall be based on commercial off the shelf technology and packages that can meet its functional requirements (as provided in section 6 of this document) through configuration rather than through development (or customisation) of the product wherever possible. Suppliers shall indicate where the requirements cannot be met by configuration alone.

(M) The Corporate Service Solution shall support open standards for interoperability including open Application Program Interfaces (APIs) to enable the solution to interface with external solutions and services or be extended cost effectively with best in class software components, either by the supplier or a third party. These shall include, but not be limited to:

* e-GIF as documented at: <http://webarchive.nationalarchives.gov.uk/+/http://www.cabinetoffice.gov.uk/govtalk/schemasstandards/e-gif.aspx>
  + e-Government Interoperability Framework (e-GIF v6.1, 18/31/2005)
  + e-GIF Technical Standards Catalogue (v6.2, 2/9/2005)
  + e-Government Metadata Standard (e-GMS v3.1, 29/8/2008)
* <https://www.gov.uk/government/publications/open-standards-principles>;
* [https://www.gov.uk/public-services-network#psn-compliant-services](https://www.gov.uk/public-services-network#psn-standards);
* <https://www.gov.uk/government/publications/greening-government-ict-strategy>;
* <https://www.gov.uk/government/publications/open-source-open-standards-and-re-use-government-action-plan>;
* Digital by Default – Government Service Design Manual - <https://www.gov.uk/service-manual/digital-by-default>.

(M) The Corporate Service Solution shall support the import and export of information in the following formats: csv, xlxs, PDF.

(D) The Corporate Service Solution shall support open access to external validation services through Open API’s, i.e. Postcode anywhere.

## Flexible reporting to improve Management insight

(M) The Corporate Services Solution shall provide access to, extraction and aggregation of, data held across all elements of the core solution (HR, Finance, Payroll and P2P) without specialist knowledge or support from the Supplier to enable cross-functional reporting and drill down.

(M) The Corporate Services Solution shall provide a set of reporting tools, allowing users to generate standard or ad hoc reports, create dashboard style data provision, drill down and roll up data without specialist knowledge. This shall be deployable across desktop and mobile devices using the same or similar look, feel and functionality, in association with predefined user access.

(M) The Corporate Services Solution shall provide the ability to aggregate and report on data combined from external data sources (beyond the core solution). This will include the ability to present data external to the solution in a dashboard alongside data held internally to the solution.

## Off-premise fully managed service

(M) The Corporate Services Solution shall be managed off-premise by the supplier and include:

* All hardware and software management including upgrades and patches;
* All environment management;
* Provision of the core functionality;
* Provision of workflow engine and management information backbone tools, or similar, to enable management of the user experience by the Department;
* Access to the solution by 3rd parties, where the Department outsource any part of their business operation;
* The inclusion of additional software components or third party packages, to extend the solution, as required;
* Management to Government IT standards, including accessibility and security standards.

(M) The Corporate Services Solution shall be regularly upgraded, in line with package manufacturer’s releases, to ensure the Department has access to the latest functionality available, subject to agreement with the Department and identification of any risks to the existing service.

# Functional Requirements

## Finance Requirements

**General Ledger and budgeting**

(M) The Corporate Services Solution shall provide a flexible Chart of Account structure that will support:

* an analysis code structure
* an intercompany structure
* a budget structure
* a project code structure
* a cost centre structure
* a multi company structure
* a separate reporting hierarchy or structure
* cost centres being linked to balance sheet account codes.
* the Chart of Accounts being mapped to different structures e.g. OSCAR, CCS Procurement category codes, CPV codes, UNSPSC codes, cabinet office codes
* identifying whether any transaction is an inter-company transaction
* having a separate period (not periods 1 to 12) for making accounting adjustments (e.g. period 13).

(D) The Corporate Services Solution shall automatically re-allocate expenditure to multiple account codes / cost centres at the point of posting (based on user defined rules).

(M) The Corporate Services Solution shall support:

* journal postings from 3rd party systems.
* both non-reversing and reversing journals.

(M) The Corporate Services Solution shall provide Month End capability, to include the ability to:

* re-open closed periods and make prior period adjustments, subject to authorisation (e.g. for year end adjustments)
* open future periods, to allow posting of reversing journals.

(M) The Corporate Services Solution shall provide Budgeting & Forecasting capability, to include the ability to:

* hold a master budget and multiple iterations of it.
* report on any budget or re-forecast, against actual costs, showing variances
* load and amend budgets via uploads from MS Excel
* budget at cost centre level and/or project code level.
* to load (and profile) budgets on a monthly basis.

(M) The Corporate Services Solution shall provide a budget structure that replicates the actual posting structure so the budget can be reported in the same way as the actuals.

(D) The Corporate Services Solution shall provide Budgeting & Forecasting capability to include the ability to:

* automate the profiling of monthly or quarterly budgets based on last year's actuals
* approve budgets based on workflow
* hold non-financial data as part of a budget e.g. statistical fields to hold budgeted and actual manpower – monthly, year to date average and full year
* calculate outturn based on actuals YTD compared to remaining budget.
* hold static information on a project, such as the project manager, type of project etc.

(M) The Corporate Services Solution shall provide user administration, such that it is possible to:

* restrict the access to the system based on user defined access rights.
* restrict the access to functionality (e.g. to support segregation of duties and roles of users)
* restrict the access at field level (e.g. a specific field on a screen)
* restrict the access to certain accounts / data (e.g. a payroll account code)
* enable the lock down of budgets or re-forecasts so no further changes can be made
* enable a user to delegate authority to certain parts of the Solution that they can access to another user. For example a Director delegating some limited access to their personal assistant.

(M) The Corporate Services Solution shall provide General Ledger (GL) & Budgeting Management Information, to include:

* drill down from GL level to the lowest level of detail (e.g. to a purchase invoice, purchase order) based on security and access rights
* transfer data directly in or out of the system via MS Excel.
* report on project costs where cost span financial years

(M) The Corporate Services Solution shall provide Standard GL reports, to include:

* trial balance at detailed and summarised levels
* transaction listings, based on user-defined variables, such as by date, analysis coding, journal type, year etc.
* income and expenditure reporting by analysis structure (e.g. directorate, division, fund, cost centre, project code) either aggregated or detailed, showing actual vs last year actual, vs budget and variances
* balance sheet by detail or summary, showing previous year or period comparative data and opening, closing balances.
* budget reports by account or budget / cost centre structure, with actual, budget, reforecast
* exception reporting of items exceeding budget or forecast.

**Accounts Receivable (AR)**

(M) The Corporate Services Solution shall provide a Customer Master File capability, to include the ability to:

* record customer types or categories for example type of Health Organisation
* input and maintain payment terms - fully flexible, by customer, customer type, group
* apply different invoice matching tolerances for different customers and define receipt matching methodology (e.g. by transaction number)
* hold many sites for one customer - to allow for multi-site invoicing
* update customer status e.g. active, inactive, one time, on hold
* identify preferred methods of communications for different types of customer activity e.g., E-mail v paper remittances, ability not to receive Dunning letters (for each customer contact define their role/contact details/communication details)
* approve the set-up of a new customer via workflow
* send any financial documentation electronically (e.g. sales invoices, credit notes, statements, dunning letters, remittances)
* define approval levels for users - for credit note authorisation, adjustments, and write-offs.

(M) The Corporate Services Solution shall provide an invoicing and receipt capability, to include the ability to:

* identify payment methodology against an individual bank account such as, but not limited to: BACS, direct debit, cheque, chaps, bank transfer. (To note that for Direct Debits the Department instigate monthly Direct Debit collections from various organisations within the DH Group, performed using the RBS interface for HAFS Direct Debits as specified in Annex E1.1, which is a key process that automates the extraction of supplier site information from the accounting solution to feed Direct Debit details for high volume/Value transactions into RBS)
* have a mandatory field when coding an invoice to identify whether it is an intercompany transaction
* settle multiple invoices with a single payment
* allocate a part payment against multiple invoices or lines
* record income received that has not been invoiced. For example, property sales or grants received or Parliamentary funding Pre-set certain income types for non-invoiced income, with the associated account coding and descriptions (to be created/amended by users with appropriate approval level). Also be fully flexible to allow coding to take place at the time of recording.
* Allow the processing of unidentified and unallocated receipts (“suspense” items)
* Calculate and process customer overpayments.
* input free text for invoice line descriptions with freedom to process to any acceptable account coding
* create credit notes for part, whole or multiple invoice refunds.

(M) The Corporate Services Solution shall provide a Credit Control capability, to include the ability to:

* set up Dunning letters to be produced on specified trigger dates with an auditable history including methods sent recorded
* invoice fully or partially including the ability to write-off, subject to authorisation
* use defined reason codes and unlimited notes for write-offs/adjustments (i.e. ability to add narrative to further explain write-offs/adjustments)
* have an integrated query management tool with unique query reference numbers, status, dates, reminders and audit of chase dates
* Ability to report full credit management history by case.
* record queries / disputes against specific invoices or customer accounts
* have an area for unlimited free format text to capture comment and search capability (e.g. for non-invoiced income/miscellaneous receipts be able to capture comments for each transaction to provide full explanatory information. This comment area should be fully searchable)
* make adjustments or write-offs (part or whole invoice/account, subject to authorisation)
* send electronic statements automatically with ability to import to excel.
* have fully editable Dunning letters.

(D) The Corporate Services Solution shall provide a Credit Control capability, to include the ability to:

* set up credit limits at individual and group customer level
* calculate interest due on late payments
* report transactions against cost centres, over user defined date range
* control the design and content of customer statements, invoices and dunning letters.

(M) The Corporate Services Solution shall provide a fully flexible AR reporting tool which includes, but is not limited to:

* transactional register over user defined date range
* adjustments / write offs over user defined date range
* applied receipts analysis over user defined date range
* customer account information (eg status (active etc), date of last activity, address/contact details)
* incomplete invoices
* unapplied receipts (suspense).

(M) The Corporate Services Solution shall provide Management Information, to include the ability to:

* report cash received, over user defined date range e.g. current day, week, month by bank account
* report outstanding or aged debtors, in summary, by customer and by product, by transaction (at user specified date)
* report income by customer type / category
* report of unmatched receipts
* show income by customer including account code individual org code and sector code
* show a debtors report by customer reconciled to Trial balance sub analysed by individual org code and sector code by intercompany codes.

(M) The Corporate Services Solution shall produce customer statements in a flexible format such as, but not limited to:

* inclusion or exclusion of specific transactions,
* messages
* highlight overdue transactions
* multiple sort orders
* interest charges on overdue amounts by e mail or mail.

(D) The Corporate Services Solution shall provide the ability to easily interrogate and/or navigate linked data items e.g. view Invoice and have direct link to any related items (e.g. receipts/adjustments/credit notes).

**Cash Management**

(M) The Corporate Services Solution shall provide a Cash Management capability, to include the ability to:

* have an unlimited number of bank, cash, petty cash accounts per company
* import a bank statement and reconcile to the accounts
* have a fully automated cash reconciliation of payments / receipts to the bank account. Note that the payments/receipts within the accounts are a combination of sub-ledger transactions, payments made by third parties, journal entries, receipts connected to third parties. The third party transactions may be processed via imported files (eg payable order files), journal imports, journals, sub ledger items. The amount of manual intervention for a fully automated cash reconciliation should be minimal.
* import payable order files from 3rd party’s e.g. Welfare foods (they pay out on the Department’s behalf) and automatically reconcile to imported bank statements (by cheque number reference). Produce cheque status reports for each bank account (unpresented cheques, voided cheques, cleared cheques), with full details to include amounts/number/bank account/date of issue/gl date/clearance date etc over user-defined date ranges.

(D) The Corporate Services Solution shall provide a Cash Management capability, to include the ability to:

* support automated transaction matching e.g. by period, invoice range, cash reference, invoice reference
* configure matching tolerances and automatic write off within specified amount(s).

**Non-Current Assets**

(M) The Corporate Services Solution shall provide an Asset Register, to include the ability to:

* capture a record of the Department’s assets recording information such as: cost, valuation, date of purchase, asset life, asset type, location, identification number
* identify that an invoice relates to an asset so it can be assessed and imported into the asset register via control account
* allocate each asset to a cost centre to assign ownership
* identify the type of transaction in the asset register i.e. addition, disposal, reclassification, revaluation, assets under construction
* ensure any addition, disposal, revaluation or classification done within the month must be properly reflected in the GL without manual intervention
* roll over closing balances into opening balances for new financial year
* run an automated depreciation calculator with ability to override
* view a full audit trail of asset history including cost, depreciation and net book value.

(D) The Corporate Services Solution shall provide an Asset Register, to include the ability to:

* record both capitalised assets and inventory e.g. a low value camcorder
* have an extension of the P2P workflow for requisition/PO coded to a FA account
* revalue assets in the system based on indexation/percentage uplift.

(M) The Corporate Services Solution shall provide Management Information, to include the ability to:

* produce a Fixed Asset Register and convert to excel
* reports to support the reconciliation between GL and Fixed Asset Register
* forecast the depreciation of assets.

**VAT**

(M) The Corporate Services Solution shall comply with VAT rules now and in the future (e.g. changes to the guidance in April 2016 where the invoice date becomes the tax point. This means that VAT for contracted out services will only be recoverable in the quarter the invoice is dated) and include the ability to:

* apply or amend VAT rates - 0, 5, 20 plus any changes to rates
* apply or amend VAT categories - standard, exempt, zero, out of scope
* apply and maintain categories for VAT contracted out services categories.

(D) The Corporate Services Solution shall provide the ability to apply and maintain categories for business/ non business splits.

(M) The Corporate Services Solution shall provide Management Information, to include the ability to:

* run a report to facilitate the VAT return - run from Accounts Payable, Accounts Receivable and the General Ledger - identifying invoice date, gal date, account codes, net value, VAT value, VAT codes
* meet the HMRC requirement to report on VAT activity - within EU and outside.

(D) The Corporate Services Solution shall meet the HMRC requirement to report on business/ non business VAT splits.

## P2P

**Master Supplier Data**

(M) The Corporate Services Solution shall provide Master supplier data management, to include the ability to:

* record Counter Party Identifier (CPID) tags, Dunn&Bradstreet Number, Small Medium Enterprise status and DH specific intercompany code against a supplier record
* Supplier creation and maintenance changes to follow a defined workflow approval process
* change the status of a supplier so that no further Requisitions, POs can be raised or paid against that supplier. Recording the reason on the system. Note: Receipting can still occur against open PO's related to the Supplier.

(D) The Corporate Services Solution shall provide a self-serve supplier portal enabling suppliers to create and maintain (control limited) their own details and see the status of their approved and closed Purchase Orders invoice(s), issued credit notes and payments made.

**Workflow approval and matching**

(M) The Corporate Services Solution shall provide workflow, approval & matching, to include the ability to:

* hold an approval hierarchy, by group; by amount; by type of supply; by category type; for the requisition, PO, goods receipting and invoice matching/exceptions
* enable a user to easily manage workflows, such that bottle necks can be identified and approvals structures amended accordingly
* send exception alerts to specific users when workflows times exceed certain times
* approval workflows to be reassigned automatically if approvals exceed user defined times, this includes a notification to the new assignee of awaiting action
* notify users when their approval or an action is required
* set tolerances levels for matching of goods receipted to purchase orders and invoices to purchase orders.

(D) The Corporate Services Solution shall provide an invoice authorisation structure where invoices can be approved based on the cost centre or by value.

**Catalogue Management**

(M) The Corporate Services Solution shall provide the ability to upload and maintain internal catalogues for buying goods and services.

(D) The Corporate Services Solution shall support punch out to externally held and maintained catalogues.

**Requisitions**

(M) The Corporate Services Solution shall provide the ability to create and manage requisitions, to include the ability to:

* create, amend, save and delete requisition templates
* support a requisition approval workflow where requests can be approved, rejected or additional information requested
* support email triggered workflows.

**Purchase Orders**

(M) The Corporate Services Solution shall provide the ability to create and manage Purchase Orders (PO), to include the ability to:

* auto-create or manually create a PO that reflects the requisition or a direct PO creation (without a requisition)
* link a PO to a call off contract e.g. a reference or link
* create, code and amend the PO. This must include the right account code and analysis structure, recognising any intercompany transaction and whether it is a capital spend
* automatically calculate or quantify the right VAT based on the type of expenditure or by supplier service type
* have a simple 'user process' for cleansing purchase orders and notification reminders of outstanding PO receipts (e.g. such as identifying those unfulfilled for a certain time period)
* check expenditure against an approved budget and give a warning if exceeds, or can be set up to prevent posting if over budget
* automatically raise the accounting commitment at the point of raising the purchase order
* automatically transmit a PO (of any document extension type) to the relevant supplier (at a minimum via email) or have the requisition routed to the appropriate next step in accordance with workflows.

(D) The Corporate Services Solution shall hold any underpinning contract within the system against the supplier record.

**Goods Receipting**

(M) The Corporate Services Solution shall provide goods receipting, to include the ability to:

* Record, amend, view and cancel the receipt of goods or services against a PO.
* Where no receipting has taken place, receipting escalation workflow and notification to take place.
* receipt goods fully, partially, over receipt or substitute receipt to agreed tolerances against line items of the PO, allowing a user to clear the remaining balances later or close completely
* automatically raise the accounting accrual at the point of receipting.

**Invoicing**

(M) The Corporate Services Solution shall provide an Invoicing capability, to include the ability to:

* upload a scanned copy of an invoice/credit note and any supporting invoice details against the invoice record
* Support email triggered workflows
* 2 way or 3 way match against PO line items and good receipt notes
* match multiple supplier invoices to a single Goods Received Note (GRN) or to any number of, or parts of, a PO
* automatically match an invoice to a PO, with the ability to manually match to deal with exceptions / more difficult situations. Invoice capability to pay on receipt, creating an invoice record for the amount receipted
* partially match an invoice which then results in a part payment to the supplier
* register an invoice where there is no PO (supplier must exist). This must then be subject to appropriate account coding and workflow approval
* Process Invoices received without a PO that have been identified as valid non-PO invoices
* Process Invoices received without a PO that are not valid non-PO invoices, generating an automatic email to the supplier stating the invoice is in dispute
* input supplier invoices rapidly, such that large volumes can be processed efficiently
* upload electronic invoice files (external) and create associated invoice records and/or match to a PO. Dummy payment run required based on electronic invoice file type
* upload electronic invoice files (internal) and create 'dummy' invoice records with no match to a PO. Dummy payment run required based on some electronic invoice file type
* create 'dummy' invoice records based on a 'pay on receipt' trigger
* automatically check for duplicate invoices. If duplicates are found, invoice record is not to be created. Raise the appropriate notification warning and hold the invoice separately for manual review/creationautomatically create a credit note record which may or may not be linked to a POcreate a credit note manually which may or may not be linked to a PO, workflow approval required
* ability scan a copy of the credit note and attach to the credit note record
* flag invoices that are in dispute, where the system then automatically prevents payments.

(D) The Corporate Services Solution shall provide e-Invoicing; where a supplier invoice is received in a specific electronic template and format or as an unstructured invoice, where the system can then automatically match to the appropriate line item on a receipted PO, where a supplier invoice is received in a specific electronic template and format or as an unstructured invoice and no PO is required (approved non-PO invoice).

(D) The Corporate Services Solution shall record why an invoice is in dispute recording an audit trail of communication with a supplier.

**Payments and Remittances**

(M) The Corporate Services Solution shall provide a payment and remittance capability, to include the ability to:

* support different payment mechanisms, including
  + Invoices (structured or unstructured) with POs
  + Invoices (structured or unstructured) without a PO
  + Payments without invoices
  + Recurring payments
  + Pay on Receipt invoices
  + Electronic ‘dummy’ created invoices
* have a workflow authorisation process before payments are made
* automatically create payment schedules e.g. based upon invoice due dates, supplier discounts, user defined dates, budgets, pay groups or priority level
* pay
  + multiple invoices from a supplier as a single payment
  + separate supplier invoices and separate payments
* supports BACS, CHAPS, Direct Debit, Wire and Cheque payments
* support DH specific remittance advice notes
* where a single payment transaction has been made to a supplier (a group of invoices), the remittance must define each individual record and associated amount invoice amount
* automate the submission of electronic remittances to suppliers
* make payments to suppliers / providers where there is no invoice and separately identify these for reporting. (For example, for grant payments)
* set up a payment schedules with a profile of payments throughout the financial year (e.g. quarterly or monthly).

**Management Information**

(M) The Corporate Services Solution shall provide Management Information, to include:

* a comprehensive expenditure / supplier search facility, enabling end users to see and drill down into transactions.
* statistics and information on the status of P2P workflows so that approval structures can be optimised by a user.

(M) The Corporate Services Solution shall provide a suite of standard expenditure reports including:

* expenditure by supplier or supplier type, showing expenditure and history across financial years, expenditure report by supplier including account code and various other individual codes
* aged accounts payable listing
* position of commitments/accruals/invoices/credit notes by cost centre
* workflow position showing the status of a user's purchase request and any workflow actions outstanding
* creditors listings, at summary, detail level, with ability to flexibly analyse. For example by cost centre

creditors report by supplier reconcilied to Trial Balance sub analysed by various codes.

## Expenses

(M) The Corporate Services Solution shall provide the ability to:

* set up and maintain an expenses approval hierarchy that is easy to maintain and change
* support the tax requirements for Dual Office arrangements
* keep the approval hierarchy automatically in line with the organisation structure within the HR system, so staff changes are properly reflected in the expenses approval hierarchy.

(D) The Corporate Services Solution shall provide the ability to set up data validation rules in line with T&S policies so that data is auto validated at the point of entry. Specifically it must support:

* not being able to claim expenses when the claim date is greater than 90 days after the date of incurring the expense.
* maximum claimable amounts for different expense types.

(M) The Corporate Services Solution shall provide the ability to manage expense codes, to include:

* creation and authorisation of the use of new expense codes and adding them to the existing hierarchy and closing down codes when no longer needed
* for the expense coding structure to align with the Chart of Accounts to enable reporting of costs against codes
* for expenses reference data (i.e. expense codes) to automatically be kept aligned with cost codes in the finance system.

(M) The Corporate Services Solution shall provide user self-service, to include the ability to:

* upload receipts into the system to provide supporting evidence for the claim.
* allow a user to save their details at any time during input of an expense claim.
* allow a user to set up and maintain their own bank details
* allow a user to delegate to another (e.g. a Personal Assistant) to complete an expense claim on their behalf.

(D) The Corporate Services Solution shall provide user self-service, to include the ability to:

* allow the expenses system to interface with Government Procurement Card transactions, so that expenses made on a payment card can be properly coded as part of the expense claim
* access, process, upload receipts and approve expenses remotely through a mobile device
* allow a user to re-use a previous expense claim as the basis for starting a new submission to reduce time for entry.

(M) The Corporate Services Solution shall provide an approval stage via workflow.

(M) The Corporate Services Solution shall provide Management Information, to include the ability to:

* calculate tax implications for dual office, friends and family or similar
* report on P11D.

(D) The Corporate Services Solution shall provide fraud reporting such as reporting on exceptions to highlight unusual activity and dip-checking capability.

## Time Recording

(M) The Corporate Services Solution shall provide a Time Recording capability, to include the ability to:

* record time against projects, cost centres and activities
* record time for absences such as annual leave and sickness etc.
* capture time for staff working part time, full time and flexible hours in a day, including rules to set thresholds for flexi time (where Flexi-time is the ability to flex start and end working times with local agreement. Start times can be as early as 7am and finishing times as late as 7pm, working contracted hours but flexibly between 7am – 7pm.  Up to 2 days flexi leave can be taken a month - i.e through accruing hours worked beyond standard hours. Flexi-time cannot be paid as overtime.)
* record time either in hours/minutes, quarter days
* validate data upon entry by the user
* provide intuitive user interface to minimise the time to complete.

(D) The Corporate Services Solution shall provide access for inputting and approving time via mobile technology.

(M) The Corporate Services Solution shall provide time code management, to include the ability to:

* easily create and authorise the use of new codes and adding them to the existing hierarchy and closing down codes when no longer needed
* align timesheet coding structure with the Chart of Accounts to enable reporting of time against codes.

(D) The Corporate Services Solution shall support an automated approach for keeping reference data (i.e. timesheet codes) aligned with cost centres in the finance system.

(M) The Corporate Services Solution shall allow a user to save their details at any time during input of a timesheet.

(D) The Corporate Services Solution shall provide the ability to:

* allow a user to re-use a previous timesheet as the basis for starting a new submission to reduce time for entry.
* provide warnings / reminders if a user has not submitted a timesheet

(M) The Corporate Services Solution shall provide an approval stage via workflow.

(M) The Corporate Services Solution shall provide Management Information, to include the ability to:

* report on time recorded on activities, summarised and by Directorate / Division etc.
* create customised reports on time recorded and export the data into MS Excel.

(D) The Corporate Services Solution shall provide performance information, such as number of outstanding timesheet, outstanding by Directorate / Division, with the ability the drill down to individual staff.

## HR

**Manager self-service: Core record**

(M) The Corporate Services Solution shall provide the ability to:

* create new employee records
* view/update records of direct reports; this should include data quality/integrity alerts
* create new employee records – with one process for all staff, including non-payroll workers.

(M) The Corporate Services Solution shall provide the ability to record different Terms and Conditions for different staff.

(M) The Corporate Services Solution shall provide the ability to record dual office locations in accordance with HMRC rules ensuring correct treatment of taxation.

(D) The Corporate Services Solution shall provide the ability to record information about the job roles (and ‘functions’) people are allocated to e.g. job share.

(M) The Corporate Services Solution shall provide the ability to delegate manager responsibility for a period of time.

(M) Any approved manager self-service action which impacts a user’s pay should automatically flow through to the payroll solution without double keying.

(M) The Corporate Services Solution shall provide the ability to record and track the progress of new starters in relation to mandatory on boarding services - e.g. security passes, mandatory training etc.

**Manager self-service: Absence, holiday and overtime**

(M) The Corporate Services Solution shall provide the ability to review and approve absence and holiday, including connecting days (which is the days spent by senior Department civil servants visiting other health bodies) volunteering absences and the ability to record other reasons for leave.

(M) The Corporate Services Solution shall provide the ability to review the overtime hours done by specific groups of staff that are able to work overtime.

(M) The Corporate Services Solution shall provide the ability for the manager to record any sickness absence and return to work information.

(M) The Corporate Services Solution shall support a manager with staff absences. This includes:

* alerts for when absence trigger points have been reached that require formal action with details of the action the manager must take e.g. a formal meeting to discuss absence, formal return-to-work interview, referral to Occupation Health etc.
* ability of the manager to keep a record of formal actions taken. This should include details of the trigger action, date/ time of any formal discussion/meeting, record of the outcome, and justification where no formal warning given.

**Manager self-service: Performance Management**

(M) The Corporate Services Solution shall provide the ability for managers to approve/modify performance objectives, to record performance management rating; exceeding, met, improvement needed, at half year stage and end of the year. This should include the ability to have mandatory pre-populated performance objectives.

(M) The Corporate Services Solution shall have the flexibility such that the performance management ratings can be changed from one year to the next. Such as adding or changing gradings.

(M) The Corporate Services Solution shall provide the ability for a manager to receive trigger reminders for activities in the appraisal lifecycle and indicate that these have been achieved.

(M) The Corporate Services Solution shall provide the ability to attach appraisal documents at certain points.

(M) The Corporate Services Solution shall provide the ability to record 9-box talent grid rating, with flexibility to change the wording/text or numbers as and when needed.

(M) The Corporate Services Solution shall provide the ability for a manager to receive notifications when probation periods are due to finish, with the ability to extend, if needed.

(D) The Corporate Services Solution shall provide the ability to record individuals’ performance ratings for projects or specific operations.

(D) The Corporate Services Solution shall provide the ability to record individuals’ performance ratings through 360 degree feedback.

**Manager self-service: Leavers**

(M) The Corporate Services Solution shall provide the ability for a manager to terminate the records of direct report leavers.

(M) The Corporate Services Solution shall provide the ability to flag the actions a manager must take during and after the leaving process, with workflow reminders until the action is confirmed as completed. For example that the manager needs to get the IT account closed, passes returned etc.

**Manager self-service: Changes**

(M) The Corporate Services Solution shall be able to handle changes to working arrangements through the completion of electronic forms and workflow. Changes that impact finance and payroll should automatically feed through to those systems without the need to re-key. Specific examples include:

* An approved temporary promotion should update payroll for the temporary promotion period
* A person moving cost centre should update in finance and payroll
* A line manager change should feed through to the HR record
* A change in location should update the payroll record if this impacts pay
* An approval of a season ticket loan or salary advance should feed through to payroll
* The approval of a special bonus should feed through the payroll.

(M) The Corporate Services Solution shall provide the ability to record those employees that are on either: a temporary promotion (known as TP); a secondment; a loan to/from another department; or, on a career break. The solution should alert the manager when key formal actions are required, and continue notification until the action has been recorded as actioned.

**Manager self-service: Information**

(M) The Corporate Services Solution shall provide the ability to produce HR performance reports on direct reports and organisation or supervisory hierarchy. This should include:

* Status of performance management and appraisal actions outstanding.

(M) The Corporate Services Solution shall provide the ability to report on those staff that have been redeployed, such as on secondment or on loan etc.

(M) The Corporate Services Solution shall provide the ability to track the progress of new starters in relation to mandatory on boarding services - e.g. security passes, mandatory training etc.

**Talent Management**

(M) The Corporate Services Solution shall provide the ability to record those that have been identified as being on the talent programme.

(D) For those identified as being on the talent programme, the Solution shall provide the core HR team with the ability to:

* capture a talent development plan against the individual
* capture actions such as development activity recommended or activities undertaken
* record the retention risk (i.e. the likelihood that they will leave)
* retain a history of the individual’s progression through the Department.

(D) The Corporate Services Solution shall provide the ability to record posts / roles where succession plans must be put in place.

**Employee self service**

(M) The Corporate Services Solution shall provide the ability for a user to:

* view/update their personal record (i.e. address/contact data, diversity etc.); needs to have the flexibility include new fields as cross government requirements for data increase
* request and record absence (connecting, holiday, sporting events etc.)
* request season ticket loans, salary notices, cycle scheme loans etc. for approval by line manager
* request changes to contractual hours
* request changes to working pattern
* review personal data periodically e.g. next of kin (yearly or twice yearly)
* view performance management information and the uploaded appraisal documentation
* receive trigger reminders for activities in the appraisal lifecycle and indicate that these have been achieved
* record performance objectives for the year
* record their self-assessment of performance at interim and yearend review points
* complete an exit interview online.

(M) The Corporate Services Solution shall provide the ability for users, with appropriate permissions, to:

* record time worked beyond their standard hours where they are eligible for overtime or time off in lieu
* record qualifications and skills / competencies
* record various types of absence (including training).

(D) The Corporate Services Solution shall update a user’s available holiday balance where:

* holiday has been recorded as taken;
* hours beyond their standard hours have been recorded and approved, and where they are allowed time off in lieu

**Absence Management**

(M) The Corporate Services Solution shall provide the ability to:

* record both paid and unpaid absences (including: Maternity; Paternity; Shared Parental Leave; Career Break; Long term sick; Special Leave on sporting events, volunteering/connecting, Reservist breaks with workflow approval/acknowledgement)
* allow managers to be able to view a calendar of their direct reports showing all out-of-office absences due to sickness, special leave, regular leave, maternity, paternity, connecting etc.
* provide information on absence management i.e. the number of people absent at any point in the organisation; the system must record first warning, final warning, sustained improvement periods
* hold the different sickness rules such that automated letters can be produced;
* capture and hold self-certification or medical certificate
* send automatic alerts to managers if a member of staff has reached a trigger point, or, if a member of staff is absence to remind the manager they should be having the set continued absence meetings.

**Leave Management**

(M) The Corporate Services Solution shall provide the ability to:

* enable employees to apply for and record periods of leave absence, with remaining balances, with workflow approval as appropriate. (to note: there are multiple legacy arrangements for calculating leave)
* anticipate leave for the next year or 'Carry forward' leave as per policy limits
* account for calculations of leave allowance for part-time workers or compressed hours.

**Hierarchies**

(M) The Corporate Services Solution shall hold the supervisory hierarchies, to include:

* the structure for performance management
* the structure for line management approval of absence.

(M) The Corporate Service Solution shall provide the ability for a user to change hierarchies easily, without the need for technical intervention.

**Skills Management**

(D) The Corporate Services Solution shall provide the ability to:

* allow employees to record their qualifications in accordance with civil service/CSL framework (professions would be able to identify staff with suitable qualifications)
* allow employees to record their competency levels
* allow employees/managers to agree the recorded competency levels with workflow approval where appropriate
* allow employees to select their qualifications from a Qualification database
* allow employees to select their skills from a Skills database.

**Performance Management**

(M) The Corporate Services Solution shall provide the ability to:

* have multiple appraisal lifecycles. E.g. one for a probation period (4-6 weeks) which once finished moves to the normal appraisal lifecycle.
* hold the PRP rating
* enable PRP rating to be automatically transferred to Payroll to effect payments.

(M) The Corporate Services Solution shall provide a flexible performance management structure such that it can be changed to meet the changing needs of the organisation.

(D) The Corporate Services Solution shall provide the ability to order appraisal events (e.g. objectives are set first, then mid-year / interim point assessment, year-end assessment) and ensure an event is completed in the system before the user can move on.

**Pensions**

(M) The Corporate Services Solution shall provide the capability for new employees to opt out of pension scheme, with a date recorded, reviewable every 3 years or periodically - date opted out, reminder dates (yearly, 3-yearly reminders). This will include an option for going back onto the scheme at a later date.

**Pay modelling**

(D) The Corporate Services Solution shall provide the capability to analyse salary costs, headcount, etc. under a number of hypothetical conditions for budgeting and planning purposes.

**Workforce modelling**

(M) The Corporate Services Solution shall provide the capability to:

* analyse salaries and grades, determining why there is a high turnover in a certain area (it might be a good news story, not always bad news)
* do trend reporting e.g. time series analysis.

**Core HR system functionality**

(M) The Corporate Services Solution shall provide the capability to:

* record both on-payroll and off-payroll workers (agency, contractor or consultant resource) and for off-payroll workers record:
  + the start and end dates of their contract
  + a link to (or attach to their record) the approved purchase order
  + a field in their record to record their tax status
  + workflow reminder triggers for when their contract is due to expire.
* record static information such as the profession of the person or profession of the role.
* record the different terms and conditions for staff members (i.e. Civil Service or NHS terms)
* support hyperlinks to guidance/policies internally and externally
* avoid the creation of duplicate records on the system with automated checks such as NI number, date of birth etc.
* automatically keep the HR record aligned with the equivalent payroll record.

(M) The Corporate Services Solution shall record key static information about a person, to include:

* where the person fits in the organisation structure
* main and any secondary working location
* role and grade
* line manager
* recent photo.

(M) The Corporate Services Solution shall allow the addition of other static information to be added to a HR record as needed. For example, adding static information such as security vetting from a pick-list.

**Gifts and hospitality**

(D) The Corporate Services Solution shall provide the capability to:

* record the gifts and hospitality received and offered by an individual during the period
* enable users to record a nil return if no interest are held
* automatically notify line managers of entries for their staff
* enable approved users to enter items on behalf of someone else (for example a PA for a Director)
* enable items recorded as gifts and hospitality to be searched and reported on (subject to security access) across the organisation with drill through to actual items recorded
* have automatic reminders to staff to update their record every six months.

**Management Reporting**

(M) The Corporate Services Solution shall provide the capability to:

* report information on a point-in-time basis
* have a data interrogation/report builder tool for super users
* self-service access for users to run predefined reports
* the solution to support a library of reports aligned to HR processes e.g. absence management, joiners & leavers, workforce composition, etc.
* produce dashboard style reporting – including customisation and design of new dashboards
* import data from other systems to provide integrated MI (single source of truth).

(M) The Corporate Services Solution shall provide a set of reports to include:

* HR system setup (list of grades, work structures, locations etc.)
* workforce population/composition
* turnover analytics
* absence Management
* leave management (special, holiday etc.)
* performance management.
* talent management.

## Payroll

**Introduction**

(B) The Department has decided to retain the existing payroll system provided by CGi and move to a fully managed payroll service with them (from a semi managed service).  However as the business users will require a seamless  experience with the Corporate Services Solution for transactions involving employee pay, pertinent Payroll requirements have been retained.  This is to allow the Supplier to propose those HR or payroll related elements of their solution that may be required to achieve this seamless experience and for the Department to be able to evaluate it as such.

**Core requirements**

(M) The Corporate Services Solution shall be able to record specific information (e.g on the HR record) in order to feed the CGi ePayfact payroll system as documented in Appendix E.2.2. This will include the ability to:

* record / identify which payroll an employee is on (currently there are four separate payrolls with different employment terms and conditions, including staff employed under NHS terms and Civil Service terms), such that pay changes (for example) are reflected on the right payroll in CGi through the interface
* recognise different employee types i.e. permanent workers, temporary workers or those on fixed terms, such that only on-payroll workers are interfaced through to ePayfact
* automatically calculate and recommend the maximum gross salary allowable for a position - based on bandings for people on the Civil Service terms and Spine Points for the few people on NHS Agenda for Change pay terms. Once approved this should be passed through the interface to payroll
* hold and calculate the gross pay for part time staff on a pro rata basis
* allocate a person's payroll cost to appropriate cost codes (aligned with the financial system). This could include the splitting across multiples cost codes based on a predefined set allocation
* hold on-call charges and allowances for certain people
* record overtime for certain groups of people for feeding payroll
* allow a user to update their bank details, which automatically updates the bank details in the payroll system
* automatically keep reference data aligned between the new Corporate Services Solution and payroll
* Auto calculations for leavers to include positive/negative leave balances, season ticket loans etc., such that a manage can agree or approve.

**Pay Changes**

(M) The Corporate Services Solution shall manage and validate pay changes in order to feed the CGi ePayfact payroll. To include the ability to:

* input and amend gross payroll data for employees
* create pay level changes (for an individual or a group)
* hold statutory change form such as MATB1, SMP1 etc.
* update salary details for pay awards, salary changes, promotions and pension changes - by individual or group
* input new grade ranges (could apply to an individual or group of people) and automatically update pay
* apply uplifts or future date for automatic uplifts to be made by individual or group
* apply uplifts or deductions using percentage calculations - by individual or group
* input and amend spine points
* hold temporary payments/advances i.e. overtime, Christmas advances
* reactivate dormant accounts for a re-hired person.

(M) The Corporate Services Solution shall provide data validation, to include the ability to:

* validate changes by individual, group or all employees
* set out data validation options, including setting limits and caps on certain categories (i.e. overtime and bonuses).

**Absences**

(M) The Corporate Services Solution shall be able to record absence information to feed payroll. To include:

* the ability to record the start and end dates of absence, distinguishing between reckonable and non-reckonable absences
* the ability to capture and hold self-certification or medical certificate
* the ability to record maternity, adoption, paternity and shared parental leave.

**Pension**

(M) The Corporate Services Solution shall have the ability to record the memberships of civil service, NHS and other stakeholder pension schemes.

## Interfaces

(B) Information and high level specifications for the interfaces required can be found in Appendix E.

(M) The Corporate Services Solution shall provide financial interfaces to the following systems:

* RBS NatWest BACS payment system
* Banner (XML purchase order)
* RBS NatWest Bankline (upload of Bank Statement, upload of cheque payment authorisation)
* MRM (import of payments made on behalf of the Department)
* Vertex (import of payments made on behalf of the Department)
* Hyperion (export of financial information into Hyperion for group consolidation)
* Other interfaces may be required, as yet unspecified. Suppliers should factor the development of an additional (6) interfaces, of which (2) are high, (2) medium and (2) low complexity.

(M) The Corporate Services Solution shall provide organisation interfaces to the following systems:

* DH Intranet people directory
* DH Active Directory. This interface will be two-way. It will require a unique identifier to be passed back to the HR system to support single sign-on.

(M) The Corporate Services Solution shall provide interfaces to the existing payroll system to:

* keep shared reference data aligned between HR, payroll and finance (i.e cost centres, and employee reference data)
* keep transactional data actioned in HR aligned to Payroll (i.e pay changes, sickness/absence, new joiners, leavers)
* transfer payroll monthly transactions into finance by employee / cost centre
* import committee member fees received in MS Excel CSV format.

(B) The Department is currently about to start a separate procurement exercise to buy eSourcing technology.  Specifically, this is functionality in two key areas:

* Sourcing functionality – which is functionality for:
* the creation, issuing, running, return, evaluation and awarding of tenders, including managing EOI, PQQ, RFI, RFP, RFQ, ITT etc and compliance with European and local procurement legislation including OJEU Notices & standard EU procedures; and
* the management over the tendering process – including tendering workflow control to ensure compliance during the tender process and for managing approvals. Plus access to allow visibility to users over the position of any tender.
* Contract lifecycle management – this is the recording and management of contracts. Meaning the holding of, and recording of key contract information. Plus workflows and alerts to key contract events.

(O) The Supplier shall indicate how their solution could link to the contract and sourcing information held above (assuming this is held within a separate eSourcing solution) without business (i.e. non-functional) users having to access two separate systems.

## Reporting

**General**

(M) The Corporate Services Solution shall allow the set up and configuration of performance dashboards that can present key performance information in a user-friendly manner. This performance information should be available at different organisation levels (Directorate, Division, Line level, individually , subject to security access), to include:

* overall financial performance (actual versus budget and outturn)
* holiday position
* status of appraisals (% outstanding etc.)
* overall performance summary (% high performers, % other gradings etc.)
* statistics on processing times for paying suppliers
* statistics on transactional processing times (time to pay suppliers, time to action HR changes such as a change in working arrangements)
* statistics on purchasing (average length of time to approve a PO from the requisition request, scale of commitments etc.)
* statistics on workflow (people with large number of approval requests outstanding)
* summary of Exit questionnaires and reason for leaving
* examples of other statutory and key operational MI reports that *may* be required are outlined in Appendix D.2 and D.3. Suppliers should factor the development of an additional (30) reports/dasboards, of which (10) are high, (10) medium and (10) low complexity.

(M) The Corporate Services Solution shall export reported information to MS Excel.

**Strategic Reports to be developed**

(M) The Corporate Services Solution shall provide a Budget Control report showing month by month actual spend against budget, breaking down by cost centre and analysed by month and quarter. Also showing time recorded against cost centres to give full picture.

(M) The Corporate Services Solution shall provide a senior leadership team report which shows budget status (actual, variance, forecast) and admin spend by cost centre (YTD spend, YTD budget, variance).

(M) The Corporate Services Solution shall provide a programme expenditure report, summary total plus by cost centre, grouped by the different organisational levels (Directorate, Division etc.). Also showing time recorded against cost centres to give full picture.

(M) The Corporate Services Solution shall provide a DRAP monthly report at various organisation levels (e.g. Directorate, Division and next level down). This shows actual, budget, forecast by expenditure lines for those relevant cost centres.

# Non-Functional Requirements

## Hosting and browser accessibility

(M) The Supplier shall state the type of hosting (public, private, hybrid) service they are proposing, any options available to the Department, with associated costs, and explain why this is the most appropriate solution for the Department’s requirements for service availability and security (as listed in section 7.2 and 7.3).

(M) The Corporate Service Solution shall support access from the range of the Department’s platforms and environments as defined in Appendix C. The service shall be compatible with the Department's standard PC builds and local desktop email clients as defined in Appendix C. Suppliers shall indicate that they can support these services, supply a list of supported screen resolutions, and for client based systems provide full details of the client software and deployment requirements, including any additional IT hosting services to support any such client deployment.

(M) The Corporate Service Solution shall be browser based and fully available over the web via a browser connection including via Chrome, Internet Explorer, Mozilla Firefox and Safari and run in the browser without the need to download any local software i.e. no plugins.

(M) The Corporate Service Solution, shall be accessible on mobile devices (both tablets and smartphones), via apps if available, supporting a range of operating systems including Android, iOS and Windows and optimised for screen size. Suppliers shall describe any limitations in functionality, devices and environments supported and what the Department should implement to deliver mobile securely.

## Service Provision and availability

(M) The service shall support 1,600 business users initially, as defined in Appendix A.3, with the flexibility to support from 1,600 up to 10,000 users, if required, without degradation of performance. Suppliers should note that the baseline figure of 1,600 figures will need to be verified and re-baselined during the implementation phase of the programme and could go up or down. Suppliers should use 1,300 users as the minimum number of users that may result from this exercise. Costs for the full service should only apply once all the business users are live and during implementation the Supplier shall provision the minimum number of licences possible to ensure value for money to the Department.

(M) The service shall include all management and costs of the hardware, software, including software and hardware upgrades, maintenance, patches and technical management of interfaces and integrations provided as part of the solution. Specific services for the Supplier to include within their fixed price scope can be found detailed in Appendix G.3.

(M) The service shall be at least 99.8% available over each working day (Monday to Friday) from 6.30am to 10pm with a minimum of 99.5% available over a 24x7 period. Suppliers shall describe what service level options are available to the Department, with associated costs. SLAs proposed within the scope of the fixed price, should meet or exceed those detailed in Appendix H.

(M) The service shall be recoverable as set out in section 7.4.3 with no loss of data in the case of hardware or software failure. Suppliers should indicate how the proposed service provides the level of resilience required.

(M) The Supplier shall indicate their approach to continuous improvement of the service and how they propose to achieve efficiencies and cost savings.

(M) The Supplier shall provide a forward plan of all proposed functional upgrades of software elements over the lifetime of the contract. In addition, the Supplier shall indicate any software components that may go out of support during the lifetime of the contract and any replacement needed will be at the Supplier’s expense.

(M) The Supplier shall make the Department aware of future product updates, version numbers and new releases. No updates will be applied without full consultation with the Department through an agreed change control process. The supplier shall undertake any scheduled software and hardware maintenance and associated outages outside of the working day as defined in 7.2.3 Requests for planned system maintenance outages must be submitted to the Department for approval with a minimum of 4 weeks' notice.

(M) In a Cloud environment the Department expects software to be upgraded and consequently expects that User Acceptance Testing only will be required to implement a version upgrade. The Supplier is expected to explain their upgrade strategy and the facilities provided by the service to the client for a test environment containing a snapshot of the live customer database. The Supplier would be expected to provide the the Department with a *roadmap* of their upgrade strategy on a rolling year basis, including the strategy and plan for implementing functionality changes due to any legislation changes that affect the core functional areas of HR, Payroll, Finance and P2P.

(M) The Supplier shall confirm that additional packages sourced and configured by a third party or the Supplier can be tested, commissioned and fully managed as part of the live service, if required.

## Security Requirements

(M) The service shall be hosted at a secure data centre, meeting TIA-942 Tier 3, or equivalent, within the EEA which, as a minimum, meets the security requirements for third-party service suppliers as required by Cyber Essentials[[1]](#footnote-1). The Supplier shall indicate how their services comply with these security requirements including where the data centre(s) are located including any options for data centre location, how resilience is provided, together with details of the organisation providing them and what accreditation and standard they achieved. Suppliers shall provide a copy of the Business Continuity Disaster Recovery plan.

(M) The service shall comply with the Cloud Security Principles as defined at <https://www.gov.uk/government/collections/cloud-security-guidance>. Suppliers are requested to indicate what measures they have applied to assure the integrity and security of the service against each of these principles and are requested to provide a draft Security Plan as part of this response. The security plan should demonstrate how the service will be managed day to day, how information risk will be managed and how future change that may affect the service will be anticipated. The Supplier shall confirm that they agree to and will support as necessary a regular penetration test being undertaken to the service. The Supplier shall support the Department in the development of the Risk Management and Accreditation Documentation Set (RMADS) or equivalent risk assessment to support security accreditation and any mitigation activities identified.

(M) The service shall support secure access to include password protection via single sign-on. This means utilising the user’s local network login and password. Solutions for single sign-on shall be based on SAML 2.0 (Security Assertion Markup Language) compliant Active Directory Federation Services (ADFS).

(M) The service shall provide security profiles assigned to job roles, grades and/or specific individuals to enable an individual to have access to the required functionality to undertake their tasks, based on their authority to view or modify the associated data. Individuals may have multiple, complimentary security roles to provide different layers of access dependent upon the roles they have. Suppliers shall describe how duties can be segregated in the service.

(M) The service shall log the details of all creation and update transactions covering details of the transaction along with the associated user name, date and time and all system access changes. In addition details of all successful and unsuccessful logins shall be maintained. Access to this feature should be restricted to key Department personnel.

(M) The service shall provide for separation of the Department's data from other customers. Suppliers are requested to indicate how this would be achieved and what evidence would be provided to the Department to show that such separation has been achieved.

(M) The Department's data shall be secure from unauthorised access both in transit and at rest for all instances of stored data, in particular, staff and related records, commercial and contractual transactions, and maintenance and approval protocols for suppliers and customers, including bank details and signatures. Details of the data encryption standards shall be provided, together with details of how they ensure compliance with the Data Protection Act 1998.

## Service Management

(M) The service shall be available in accordance with a set of SLAs with associated Service Credits and or financial remedies. SLAs proposed within the scope of the fixed price, should meet or exceed those detailed in Appendix H2. Suppliers shall state what Service credit or other remedy is available to the Department in the case of non-performance.

(M) The service shall provide a technical support help desk during working hours 8.00am to 6.00pm. The Department's on-site helpdesk will be the first point of call for any problem reporting. Where resolution cannot be provided by the on-site team and the issue relates to the service, and then the problem will be logged with the Supplier. Suppliers are requested to indicate how they would manage any calls, what call handling processes they would put in place and what options may be available, including support outside the Department’s normal working hours with associated costs for hours of operation. Suppliers are also requested to state what tools they would expect the Department to use for logging and managing first line support calls and what facilities are available within the system to reduce the burden on first line support.

(M) The Department requires the prioritisation by service category and severity on a proactive and reactive problem management basis. The required SLAs to be achieved within the scope of the fixed price are detailed in Appendix H.

(M) The Supplier shall confirm that they will appoint a Service Manager who will attend regular meetings with the Department, to be held at least once per month. Suppliers should explain the format of this service meeting.

(B) Appendix H sets out the escalation procedure that the parties shall follow for complaints. The representatives for each party in the escalation procedure are set out in the table below. The parties representatives shall attempt to resolve matters referred to them in accordance with the timescales set out in Appendix H. If the representatives for each party cannot resolve the relevant matter in accordance with the timescales set out the relevant issue or dispute will be escalated to the next level.

(M) If the parties’ representatives at Level 3 in the escalation procedure are unable to resolve the relevant matter in accordance with the timescales set out in Appendix H they may, by joint agreement, extend the timescales for resolution of the escalated matter. If following further extension a resolution is not achieved then Dispute Resolution in Schedule 2.2 of Annex 1 to the ITSIT shall be followed.

(M) The Department requires the service to be able to support business improvements within the Department over the lifetime of the contract. The Supplier shall state how they propose to work with the Department to:

identify improvements to the service, including updates to, or new, functionality that the Department could exploit to benefit within the organisation – as a minimum this should be provided biannually

provide quarterly continuous improvement discussions to assist the Department in making best use of the user experience.

(O) The Supplier shall provide a tool for the Department to manage their first line help desk, such that it meets the requirements of the logging calls to the technical support desk being provided.

(O) The Supplier shall provide details of any additional functionality (e.g. eSourcing as referenced in 6.7.5, Project Management, Directory capability) within the footprint of the solution that the Department could utilise, together with an indication of whether this is included within the licence/service fee or at additional cost.

# Design Requirements

## General

(B) Details of the current technology used by the Department can be found in Appendix C.

## Technical Architecture

(M) Suppliers shall detail the design principles, design and development approach, tools and techniques, and internal testing processes to be deployed in the design, delivery and support of the service proposed in their tender response. Where appropriate, Suppliers shall also detail these aspects broken down by area of service.

(M) Suppliers shall include a description of the technical architecture, covering both software and hardware, to be employed at each stage of the project, and proposals for coping with throughput, data volumes and resilience. Suppliers shall detail this information broken down by operational area and address any major issues likely to affect an area or service.

(M) Suppliers shall provide a list of key assumptions used in the generation of their technical architecture, both for the solution proposed in their bid as a whole, and broken down by area of service, as appropriate.

(M) Suppliers shall provide full supporting documentation including database schemas and data dictionaries to be provided to enable the Department to fully understand the database structure and a structure for on-line guides and documentation.

(M) The Supplier shall state what field level validation is available (e.g. calendar, cost centre and budget as numbers) and what other features may assist with data quality.

(M) The Supplier shall confirm that the Department retain the intellectual property of any configuration, design and development work undertaken on its behalf or the right to use any configuration, design and development work undertaken on its behalf in perpetuity.

## Interfaces

(M) Suppliers shall indicate what methods and products will be used to implement the interfaces specified in Appendix E of this document.

(M) Suppliers shall clearly highlight the requirement for any third party products to implement the interfaces.

(M) Suppliers shall include the costs of any third party in their response.

# Implementation Requirements

## Overview

(B) The Department requires the Supplier to work in partnership with the Department on the design of the solution, bringing good practice and supporting the Department with the business analysis needed to enable the Department to make the best of the solution, and benefit most from the software tools that increase the level of automation and reduce the need for manual intervention.

(B) The Supplier will be required to support the Department to change its processes so they are aligned with how processes work in the new technology. The Department will be responsible for the organisational level business change (for example, reconfiguring teams etc.).

## Timescale

(M) The Department requires the new service (phase 1) to be live by 31 March 2017. Suppliers should provide their plan to achieve this date, what risks they perceive and how they intend to mitigate these risks. Suppliers shall also identify the risk and impact of implementing functionality scheduled for later stages (such as Payroll) and what mitigating actions can be taken. Appendix K includes details of what functionality should be included in each phase and included in the fixed price.

## Configuration, development and installation

(M) The Supplier shall undertake configuration and set-up work in an iterative manner to enable early visibility and engagement with business users. This shouldensure the Corporate Service Solution will support the business operation of the Department and include:

* identification of which of the Department’s processes need to change to follow any standard processes provided by the Corporate Service solution
* identification of best practice, cost effective commercial working practices
* configuration options for the Department to enable them to identify the most appropriate configuration settings for their operation to support best practice processes
* the process for walking through the service to confirm that it meets the Department’s business requirements
* working with the Department’s senior management to align with the change programme
* support to the CSIP business change team to include business impact assessment of the solution, provision of solution collateral, provision of a ‘model office’ capability, solution expertise to support 5 roadshows and 2 show and tell visits to each DH key site (namely, London, Leeds, Reading, Burnley and Runcorn)
* upload of guidance documents to support users undertake business processes
* design workshops split 50/50 between Leeds and London
* specific services for the Supplier to provide within the fixed price can be found detailed in Appendix G.2.

Suppliers shall indicate what techniques they propose to use and how they would mitigate against any unnecessary work by the Department. Such an approach should follow the principles as defined in the Government Service Design Manual <https://www.gov.uk/service-manual>. In particular the emphasis should be on making regular incremental deliveries that build on previous successes working in Supplier/ DH integrated teams. Suppliers should note that P2P staff are mainly in Leeds, whilst HR and Finance staff are split between London and Leeds.

(M) The Supplier shall deliver a core set of workflows, reports and dashboards as defined by the Department. The initial core set of reports are defined in Appendix D and the workflows and current delegated authorities in Appendices I and J respectively. The Department expects to work with the Supplier to enhance these existing reports prior to implementation. Should the Department require less reports as described in 6.8.1, the remaining effort should be subject to change control and agreed between the Parties such that the effort could be re-deployed elsewhere as part of the implementation or on-going service.

(M) The Supplier shall build any integrations, if required, to enable interoperability between Finance, Payroll, P2P and HR, including transactional flows, rollback, audit trails and reference data integrations and provide on-going maintenance.

(M) The Supplier shall build the integrations as specified in Appendix E and provide on-going maintenance. This should include an interface to and from the existing CGI-Group payroll system (ePayfact). This will then be replaced by the Supplier’s payroll solution as a second phase of work (if this is agreed for inclusion). The Supplier shall support the Department in building the integrations from the HR solution to other DH systems (e.g. the intranet directory, Active Directory and the IT helpline system), and single sign on, by either providing an IDAM compliant solution or the ability to extract key information from the system in a file to update the Department’s systems. Should the Department require less interfaces as described in 6.7.2, the remaining effort should be subject to change control and agreed between the Parties such that the effort could be re-deployed elsewhere

(M) Suppliers shall provide details of how they intend to transfer skills so that the Department has the necessary skills to enable them to manage the user interface, managing/changing workflows, forms, screens and other configuration work to support new process models and organisational changes.

## Documentation

(M) The Supplier shall provide any documentation in electronic format including any native Microsoft Office files, e.g. MS Project files.

(M) The Supplier must confirm that the Department shall receive copies of all design and test documentation and test result evidence. The Department reserves the right to view any documentation, concerning the functions and facilities of the solution and operation with regard to this contract, whether the documentation is maintained for the Supplier’s own records or for delivery to the Department. The Supplier should list and describe the documentation that they will provide and describe the means by which it will be maintained. This list of documentation should include both documents that are to be maintained for the Supplier’s own records as well as those documents that are to be supplied to the Department.

## Data Migration

(M) The Supplier shall provide an approach and plan for the management and delivery of the migration of data from the existing solution to the new Corporate Service solution, which poses the least risk to the project based on their own experience.

(M) The Supplier shall be responsible for the provision of templates and load element of the data migration. The Department will be responsible for the extraction and transform elements. Specific services for the Supplier to provide within the fixed price can be found in Appendix G.2.

(O) The Supplier shall provide a full data migration service to include strategy and planning, extraction, mapping, transformation and loading.

## Testing

(M) The Supplier shall provide an approach and plan for the management and delivery of all aspects of testing of the Corporate Service solution. This should include the method for testing and releasing new software or modules during implementation and once the solution is live.

(M) The Supplier shall indicate how they will demonstrate to the Department that they have undertaken sufficient testing of the Corporate Service solution covering functional, performance and volume requirements and explain how the test results will be signed off.

(M) The Supplier shall manage the delivery of User Acceptance Testing including the provision of test scripts. The Supplier shall provide access to the Department to any test scripts and test results undertaken against the service.

(O) The Supplier shall indicate what testing tools could be provided for the Department to use for their testing throughout the lifetime of the contract.

## Training

(M) The Supplier shall provide training for the Department nominated expert users to enable them to create/modify workflows, approvals, forms and screens.

(M) The Supplier shall design and plan the training needed and provide the Department with the materials necessary to enable the Department to deliver training to the end users. Specific services for the Supplier to provide within the fixed price can be found detailed in Appendix G.2.

(M) The Supplier shall describe what on-line functional training is available to minimise training costs.

(O) The Supplier shall provide a full training service including training of professional and end users.

## Operational Readiness and Cut Over

(M) The Supplier shall agree success criteria with the Department for the readiness for transition to operational running, including any additional components once the service is operational, clearly based on the contracted requirements and state how they would monitor progress against the success criteria (including evidence to the Department that the solution is capable of meeting the requirements - e.g. time, throughput and quality). Suppliers shall include their transition approach. Specific services for the Supplier to provide within the fixed price can be found detailed in Appendix G.2.

(M) The Supplier shall conduct operational readiness testing with the Department, (including performance tests, volume and resilience tests, and security penetration tests) to demonstrate solution and operational readiness and verify that the business processes are being satisfied by the solution. Areas of failure will be re-run until an acceptable level of service can be achieved for operational service.

(M) The Department will accept the service into live operation once the Department is satisfied that the level of service is acceptable for operation. The Supplier should explain how any outstanding issues at the commencement of live operation will be identified, logged and resolved within 8 weeks of the live operation commencing. The Supplier shall state how they intend to manage and resolve any post-implementation issues. The Supplier shall provide an adequate level of post go-live support for the Department. As an indication this should include full support to the Department on-site for at least 8 weeks, including handholding through one month end, floorwalking support and handholding the Department’s service management team through initial 1st line support operation and workflow, report and dashboard development.

(O) The Supplier shall provide call off support of 12 days p.a. to provide additional support to the service management team for advice and guidance on the development of workflows, reports and dashboards, should this be required above and beyond any advice given during quarterly continuous discussions.

# Contract and Management Requirements

## Overview

(B) The purpose of this section is to define the requirements of the Department in relation to the management of any resultant contract for the solution. Suppliers are requested to explain how they would manage and deliver the contract, including where they could improve on it.

(B) The Department has a programme team and programme board in place for the wider change programme CSIP. The improvement programme has streams of work already underway identifying improvements in areas such as management information and business processes, which it would expect to be aligned to the implementation of the Corporate Services Solution.

## Project Organisation and staffing

(M) The Supplier shall provide details of the organisation they would expect to put in place to manage the implementation and delivery of the contract. The Supplier shall provide the Department with details of the resource profile (including roles) that is required from the Department to support the implementation and when they are needed.

(M) The Department expects the Supplier to declare Key Personnel, who are named individuals, including their roles and responsibilities. These individuals are part of the commitment on behalf of the Supplier and will be committed to the project. CVs for the key staff should be provided as part of the tender submission. Suppliers shall ensure that staff are suitability qualified and have the appropriate permissions to work in the UK, where appropriate. Staff working on the Department’s premises, systems, networks or accessing the Department’s data will be required to complete the Department's vetting process and Suppliers should comply with <https://www.gov.uk/government/publications/hmg-personnel-security-controls> as a minimum.

(M) The Supplier shall demonstrate that they have the appropriate facilities and resources to manage and deliver the proposed work.

## Supplier and Sub-Contractors

(M) The Supplier shall confirm their acceptance that they will be fully responsible for all subcontractors employed by them to fulfil any portion of their obligations to the Department. Suppliers must list those subcontractors whom they propose to use and the activities for which they will be responsible.

(M) The Supplier shall confirm their understanding that once they have submitted their proposals they cannot change or remove any subcontractor without discussion with and the agreement of the Department.

(M) The Supplier shall state how they propose to select, manage and assess subcontractors to ensure retention over the period of any contract and explain what provisions will exist to minimise the risks of financial or operational failure to the Department.

## Planning and Management

(M) The Department requires the Supplier to manage and deliver the contract according to recognised best practice. Suppliers shall provide details of the method they intend to use to manage the implementation and delivery of the solution.

(M) The Supplier shall produce a project plan for the implementation and transition of the service in MS Project format outlining the activities to be undertaken by both the Supplier and the Department. This should include milestones, dependencies and resources and a consolidation of all project activities into a single plan, including those to be managed by the Department's Project Manager. Suppliers shall confirm that the Implementation Plan will form the basis for day-to-day control and be regularly reviewed and updated.

(M) The Supplier shall propose how they would envisage working on a day-to-day basis with the Department to manage the project.

## Risk and Issues Management

(M) The Supplier shall be responsible for the management of risks and issues and setting up Risk and Issues Logs to identify and manage risks and issues that arise throughout the contract. The Supplier shall describe their proposed approach to risk and issue management and propose how they would work with the Department to manage the risks inherent in this form of solution. The Supplier is requested to identify what they see as the key risks for a contract of this nature and how they propose to mitigate them.

## Roles and Responsibilities

(M) The Department requires clarity of responsibilities between the Supplier and the Department to implement and deliver the Corporate Service Solution. The required responsibilities during implementation and service operation are detailed in Appendix G. Suppliers are requested to include the costs of undertaking these responsibilities within their fixed price.

## Software Provision

(M) The Supplier shall provide details of the software comprising the Corporate Services Solution, whether this is provided as a service or under licence and the basis of associated charging mechanisms. Where such use is based on licences, the Supplier shall provide a full breakdown of the type and number of licences required to deliver the functionality described in section 6 with an indication of the scope of functionality covered by each type of licence. The types and numbers of users for the purposes of initial service provision can be found in Appendix A.3. Suppliers should note that the baseline figure of 1,600 figures will need to be verified and re-baselined during the implementation phase of the programme and could go up or down. Suppliers should use 1,300 users as the minimum number of users that may result from this exercise. Costs for the full service should only apply once all the business users are live and and during implementation the Supplier shall provision the minimum number of licences possible to ensure value for money to the Department.

(M) The Department expects any licences to either be granted to them or retain the right to use in perpetuity.

(M) The Supplier shall include details of any additional licences required, not already covered by 10.7.1.

## Service Exit

(M) The Supplier shall detail the support and plan they will provide to the Department in case of exit from the service, for whatever reason, to enable the Department to transfer to another service, including the cost to the Department of any such support. Suppliers shall indicate what options are available to the Department to continue operation of the Corporate Service Solution in case of service non-performance, such as persistent levels of service availability below the KPI service threshold as described in Appendix H2.

(M) The Supplier shall confirm that on exit of the service, for whatever reason, the Department will be provided with all of their data stored in the Corporate Services Solution as a copy of the database or in the the Department’s defined template.

(M) The Supplier shall confirm that, in case of exit from the service, any design, configuration, development or integration work completed on behalf of the Department will either remain the intellectual property of the Department or the Department will have the right to use it in perpetuity. The Supplier shall include provision to reduce any final charges by the amount of unused and pre-paid call off support (as detailed in 9.8.4).

## Benchmarking: hosting

(M) The Department requires the price for the hosting element of the service provision to be benchmarked every two years as a minimum to ensure the Department continues to benefit from a competitively priced service. If it is not possible to separately benchmark hosting, the Supplier shall provide the rationale as to why this is not possible. If the service is being provided on a ‘Software as a Service’ basis, the Supplier should indicate, what information might be available to use as a benchmark. If it were a requirement to swap to alternative provider after 2 years, the Supplier shall indicate whether this would be possible using exactly the same solution and if not, whether this would require be re-implementation with another solution. The Supplier shall also indicate comparable costs for providing the service over a 2, 3 or 5 year fixed term.

## Contract Conditions

(D) The Supplier shall indicate that they will accept the Contract Conditions and Schedules as included in Annex 1 of the ITSIT as amended by the contract compliance matrix agreed during negotiations and the contract performance terms as described In Appendix H4.

(M) The Supplier shall indicate they accept the contract performance terms outlined in Appendix H and the Exclusion Threshold Clauses in the Contract Conditions and Schedules as included in Annex 1 of the ITSIT:

* 19 (IPRs Indemnity);
* 20.1 – 20.10 (Customer Data) – to the extent only that Customer Data is made available to the Supplier;
* 21 (Confidentiality);
* 22 (Freedom of Information);
* 23 (Protection of Personal Data) - to the extent only that Personal Data is made available to the Supplier;
* 35 (Compliance);
* 39 (Prevention of Fraud and Bribery); and
* 46 (Governing Law and Jurisdiction).

## Transfer of Undertakings

(B) The Department is currently evaluating whether any Transfer of Undertakings (Protection of Employment) Regulations 2006 and its amendments may be deemed to apply to the new DH solution.

(B) Costs for any associated liabilities should not be factored into Suppliers’ pricing.

(B) Such costs will be discussed, if and when they arise and be subject to change control.

Volumetric Data

* 1. Staff Numbers
     1. There are 2,000 active users of the existing BMS system. The new service should cater initially for 1,600 users with the capacity to expand up to 10,000 users if required.
     2. There are 2,600 HR records, including employees and temporary staff. The breakdown is shown below (as of December 2015):

|  |  |  |
| --- | --- | --- |
| **Civil Servants** | | **1,933** |
|  | Employee | 1,832 |
|  | Fixed Term Appointment | 60 |
|  | Loan In | 42 |
| **Secondees** | | **47** |
|  | Secondee In | 47 |
| **Contingent Labour** | | **124** |
|  | Agency Staff | 54 |
|  | Consultant | 3 |
|  | Contractor | 68 |
| **Others** | | **146** |
|  | Civil Service Fast Stream | 54 |
|  | Contracts for Service | 51 |
|  | DH Resident | 19 |
|  | Hosted Staff | 18 |
|  | NHS Trainee/Student | 3 |
| **Grand Total** |  | **2,250** |

* + 1. Detailed numbers for the core functions are shown below:

|  |  |  |
| --- | --- | --- |
| **HR** | Number of HR Staff - FTE | 55 |
| Number of HR Staff - FTE - undertaking transactional activities | 14 |
| **Payroll** | Number of Payroll Staff - FTE | 5.5 |
| Number of Payroll Staff - FTE - undertaking transactional activities | 4 |
| **Finance** | Number of Finance Staff - FTE | 53 |
| Number of Finance Staff - FTE - undertaking transactional activities | 12.5 |

* 1. Transaction volumes
     1. Transaction volumes are provided below:

|  |  |
| --- | --- |
| **Yearly volumes** | |
| **Number of sales invoices** | 1,000 |
| **Number of purchase invoices** | 40,000 |
| **Number of Cost Centres** | 1,000 |
| **Payslips** | 24,000 |
| **Number of Purchase Orders** | 10,000 |
| **Travel & Expenses - Expense claims** | 5,000 |

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* 1. Numbers and of types of users for the Corporate Services Solution
     1. As the Department is currently undergoing a transformation, the numbers and types of users can only be estimated at this point in time. These figures will be verified and re-baselined during the implementation phase of the programme.
     2. The estimated numbers and types of users in the new solution to be used for pricing purposes are as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| **User Type** | | **Number** | **Assumptions** |
| Core number of employees/users | | 1600 | Following the transformation this is the estimated number of users of the system and employees. |
|  | | | |
| Self Service Users | HR | 1600 |  |
| Requisitions/receipts | 400 | That 25% of the users will requisition items on behalf of the Department. |
| Expenses | 800 | That 50% of the users will claim expenses at some point. |
|  |  |  |  |
| Approvers/managers | | 400 | That 25% of the users will be approvers/team leaders. |
|  | | | |
| Budget Holders (with the ability to extract/manipulate financial information) | | 400 | That 25% of the users will be budget holders. |
|  | | | |
| Professional Users | HR | 55 |  |
| Finance | 53 |  |
| P2P | 10 |  |

Example Business Scenarios

* 1. Overview
     1. This section distills some of the key business requirements into a set of day to day activities, showing details of the expected outcome and user experience. These should inform Suppliers responses to the requirements in section 6 and any subsequent system demonstrations, if required.
     2. The Department wishes to automate as much of the business processes as possible to achieve greater levels of efficiency. The scenarios below are indicative only and Suppliers are requested to suggest areas where their solution can improve the level of automation and process efficiency.
     3. The Department has not yet finalised how some of its processes will work. These may a) change as part of the CSIP programme and b) be informed by the standard processes available with the new Solution.
  2. User experience – manager of a group of people and a budget holder

|  |  |  |
| --- | --- | --- |
|  | **Business Activity** | **User Experience** |
| 1 | A new manager has just joined DH and must be set up on the new system. | I go on-line and see that:   * I am set up on the system in the right place in the organisation hierarchy and against the appropriate cost centre. * My record shows my salary and holiday details and other key static information. * I can approve spend up to £5k (which is my limit) and I’m set up in the right procurement workflows. * I can see I have 4 direct reports to performance manage. I see their latest appraisals. |
| 2 | A budget holder needs to buy external services as part of a key project they are accountable for. | A member of my team raises a purchase requisition for external services. She attaches the documentation to support the requisition (in this case it is a short business case). The electronic requisition automatically defaults as much information as possible based on who the spend is for, and what cost centre and project the spend falls under. The supporting evidence flows with the requisition as part of the workflow approval to me. I approve the requisition in the system as it falls under my cost centre and approval rights.  The requisition flows through all the necessary approvals and the PO is sent automatically to the Supplier.  When the services are delivered, I receive the services and receipt this in the system.  The invoice arrives electronically in the system. It matches against the PO and the receipt and the invoice is paid. |
| 3 | A budget holder needs to buy a specialist service which is likely to be over £100k. This will need senior level approval and specialist procurement skills to buy the service. | I raise the requisition and it is coded automatically to my cost centre. I add the supporting business case to the requisition and then it flows on to the Director for approval. As it is for a specialist service, the workflow routes the requisition on to the appropriate person in the DH commercial division to commence a formal sourcing process to find the right supplier (this is done outside of the core solution). Once the order is placed with the supplier a commitment is automatically raised against my cost centre.  The service is delivered and I receipt this in the system.  The invoice arrives electronically in the system but is different to the amount agreed. The invoice is not paid and it comes back to me for review. I investigate the discrepancy with the Supplier and they agree to issue a credit note. The invoice and credit note are now matched against the PO and the receipt and the Supplier is paid. |
| 4 | A team member requests annual leave. | I receive a notification that one of my team is requesting leave. I’m on my way home and tap the app on my portable device, which shows the leave dates they are requesting. I can also see how much leave they have already taken. I approve the request.  Later I login to my performance dashboard. One of the metrics tells me the total amount of leave taken across my team and total amount not taken. I drill into the detail and see that two of my team have not taken any leave yet. I decide to follow this up with them. |
| 5 | A team member has an annual review and is recommended for promotion and a pay rise. | I attach all the paperwork to a workflow that is required to approve the promotion and pay rise. Once everything is approved, the pay rise flows to Payroll for action.  I can see the updated payroll costs against my cost centre. My team member sees the pay reflected in their on-line payslip. |

* 1. User experience –common to all users

|  | **Business Activity** | **User Experience** |
| --- | --- | --- |
| 6 | I have moved banking and want to update my bank details so that my pay and expenses are paid properly. | I go on-line and change my bank details. This then automatically updates the information needed for payroll / expenses so I am paid properly. |
| I receive an email alert to notify me that my bank details have been updated. |
| 7 | I have the opportunity to go on a 1 year secondment to another Government Department. I want to initiate the secondment process. | I go on-line and complete an electronic form with the key information needed to initiate the secondment process. This allows me to attach supporting electronic evidence to support the secondment case.  This form is then automatically routed to the head of the department for review and approval. Once this happens it is routed on to the HR internal team for final approval. The HR approval triggers a workflow to the internal finance team to notify them of the action to bill the receiving Government department for my salary costs. At any stage I can go into the system and see where my form has reached in the workflow process.  I remain on the Department’s HR and payroll system. Electronic alerts are sent to me and my line manager as my secondment end date gets closer. My line manager is alerted to the on-boarding process that should be followed. |
| 8 | I have been on a business trip to the DH Leeds office (Quarry House) from my base in London. I need to claim travel and hotel costs. | I go on-line and enter the expenses I have incurred. The system defaults to my cost centre. I try to claim one item and the system informs me that this is above the policy limit and prevents me claiming everything above the limit. I can access the expense policy to double check and then attach a note to my manager explaining why my expense claim exceeds the limit. I submit my claim uploading receipts as needed as supporting evidence. The system allows my manager to approve or decline and send the item back to me. When I’ve made the adjustments, my manager approves the claim and it flows through to Payroll for payment and the costs are automatically reflected against my nominated Cost Centre.  I see my expenses refunded in my pay, which I see in my on-line payslip. |
| 9 | I’ve agreed with my manager a change in my working arrangements, from full time to 4 days a week on a permanent basis. I want to initiate the internal process as my manager has agreed this arrangement can start in 2 months time. | I go on-line and get directed to the electronic form I need to complete. This asks me for some key information which I fill out. I submit the form electronically. After a few days I check the process and see that it hasn’t yet been processed. A few days later I get an alert to say the form has been processed. Later I get an email with my amended contract showing my new gross salary and holiday entitlement. I also get a formal notification of the start date of my part time working arrangement. A month later I check my salary on-line and see that the right reduced salary has been paid.  My line manager goes on-line a month into my new working arrangements. She checks her budget position versus actual costs. See drills through to the transactions and sees that the difference in actuals from last month is because of my reduced salary cost. |

* 1. User experience – senior DH leadership level

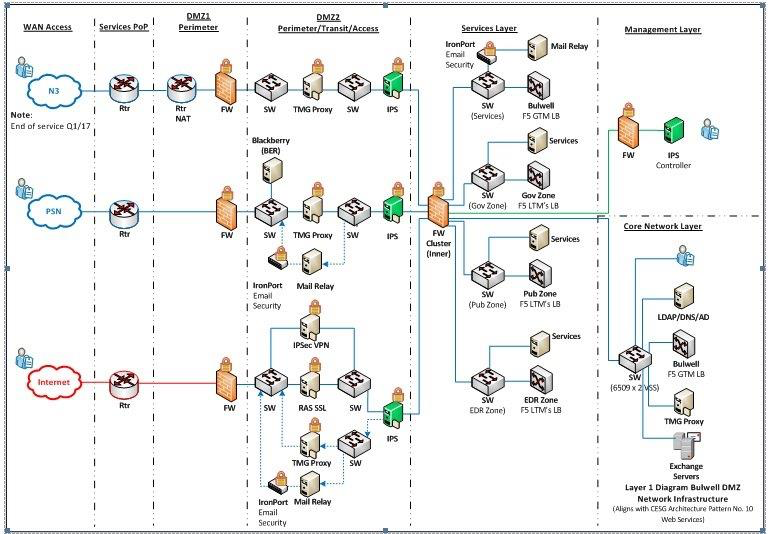
|  |  |  |
| --- | --- | --- |
|  | **Business Activity** | **User Experience** |
| 10 | I want to understand the performance of my Division and see where I need to focus my attention. | I go on-line and find the dashboard report I need. This brings up the performance of my Division. It shows:   * My Divisional budget versus actual expenditure and forecast for the year. * The breakdown of staff (employees, secondees, contractors) I have in my Division against the overall budgeted head count figure. * Performance metrics, including: 1) the number of year end appraisals outstanding; 2) number of joiners and leavers this year; 3) Total absence days this year.   I notice immediately the high number of outstanding appraisals so I drill through to the detail and see that one of my units has almost all the year-end appraisals outstanding. I decide to drill into the absence days and see a high level of sickness in this unit too. I see that there have been 3 leavers from this unit. I drill through and see that 2 exit interviews were conducted. In both interviews I see that concerns were raised. I decide to follow this up.  I see that the Divisional actual expenditure is likely to exceed the budget based on current run rates. I drill into the budgets at unit level and see that two of my units are running ahead of budget while the others are on target. I drill through further and see that both have incurred higher costs this month because of policy events that were bought forward. I now know that the year-end position will be ok. |
| 11 | I want to delegate authority to my PA to complete my expense claim for me. I only want my PA to have limited access just for this. I don’t want them to have the same access rights as me as they would have access to reports on staff salaries and could potentially sign off expenditure. | I go on-line and follow a process to give my PA authority to do my expenses for me. The system recognises that the PA has been given this authority and this can be reported on if necessary.  The PA goes on-line to complete the expenses. I get an alert to say my expenses have been submitted. |

* 1. User experience – on going continuous improvement

|  | **Business Activity** | **User Experience** |
| --- | --- | --- |
| 12 | There is a re-organisation internally resulting in individuals and teams being moved within the organisational structure. | An administrator is able to go into the system and make the necessary changes so the re-organisation is reflected in the system. This can be affected by a non-technical user. This results in the impact people:   * Being moved to the right cost centre for their salary costs and expense costs * Having their performance managers updated (where appropriate) * Having their spend approvals and process workflows updated (where appropriate) |
| 13 | A new HR policy is introduced for sharing parental leave for the birth or adoption of a baby. A new form and workflow is needed to cover this. | An expert user creates a new form with links to appropriate guidance and the workflow process needed. This is tested and added to the live system. The form includes a set of information including key dates and the workflow is set up for approval by the Divisional Director. Then is then forwarded to HR for calculating the financial and leave impact. |
| 14 | The Department decides it want to capture additional data for all new employees going forward. A new field is needed on the HR record to cover vetting status. This is a drop down showing “Not known”, “BC”, “SC”, “DV” etc. This is made mandatory for all new records. | An expert user adds the additional field to the HR record. This is tested before roll out. |
| 15 | The purchase to pay process is taking too long for certain purchases and needs to be optimised. | An administrator goes into the system and sees statistics on the current P2P workflows. Drilling through further the administrator can see that there is a blockage with one particularly user and that this particularly workflow should be re-routed. The administrator amends the workflow. |
| 16 | The Department decides to update the performance management approach next year. This means a change from 3 performance gradings to 4. Staff will also be asked to capture their own self-assessment grading. | An administrator is able to go into the performance management part of the system and update the structure to reflect the proposed changes. This is tested before rolling out. |
| 17 | There’s a new app that can allow managers to see their performance dashboard on a mobile device in an appropriately secure way. This will be rolled out to managers. | The internal DH service management team works with the supplier to test and roll out the new app. This involves minimal technical consideration and can be rolled out with little cost or fuss. |

Department of Health ICT Infrastructure

* + 1. The Department‘s business management system (BMS) is a core system used across the Department and by the procurement, finance and human resource internal service providers. BMS is an Oracle e-business suite solution (currently at version 11.5.10.2) maintained and supported by NHS SBS as a managed service.
    2. The current desktop is termed Open Service, delivered and supported by Atos as part of the IMS3 services contract which runs to end June 2018 (with 1+1 option).  Open Service is deployed to about 2500 users in the Department and a further 10,000 approx in NHS England, CQC, HRA and NTDA.  The desktop is based on Windows 7 and deployed to a mix of PCs and laptops (Lenovo) and Wyse thin clients.  It is probable that the thin client infrastructure will be phased out by the end of 2016 if the Department opts to deploy flexible desking policies across the estate supported by a laptop only model.  The Department and CQC have an on premise Exchange 2010 solution.  NHSE, HRA and NTDA use NHSmail instead of Exchange.  The Department’s email is routed via the legacy GSI service (now PSN) but will be migrated from GSI/PSN in alignment with the future desktop replacement strategy.
    3. Productivity tools include Office 2010, Lync enterprise voice, IE11, Google Chrome 43 and Firefox 24 browsers.  IE11 is fully supported, the other browsers are available for personal choice but not guaranteed to work with all browsers.  Other applications such as Visio and MS Project are deployed on a case by case basis, applied as thick or thin app depending on the application and userbase.  Sharepoint 2013 is used for document and records management but most other storage is on group or personal shares.  Kahootz, an external cloud service, is used for external collaboration.  A new room booking service Keytree Matrix is being deployed summer in Q1/2 2016.
    4. VC is used extensively across the Department, supporting the London / Leeds building mix.  The existing CISCO VC service is to be replaced by Lync meeting room systems in 2016.
    5. Remote access is authenticated via a Juniper service currently but Microsoft DirectAccess is subject to a PoC and will be deployed in 2016 if approved.  Smartphones are deployed on BES12 using almost all RIM devices at present but these will probably be replaced by Android and Windows mobile devices on a CYOD basis in 2016.  BYOD is being considered but no plans as yet.  Around 200 of the Department’s exec users have iOS iPADs using Good For Enterprise for secure email.
    6. There is a legacy Lotus Notes infrastructure used for corporate applications that have not yet been modernised or replaced.  These will be phased out by 2018.
    7. Most server infrastructure is 2008 r2 virtualised in two Atos datacentres in Nottingham on Vblock architecture. The Department’s external connections (internet, PSN and N3) are routed to these datacentres.  There are 3 DMZs hosting corporate applications, one for each type of external connection.  There is a separate data zone known as the External Data Repository (EDR) supporting the external DMZ architecture.  Migration to Crown Hosting for legacy corporate applications is under active consideration.
    8. The desktop strategic aim is to migrate to Windows 10 and Office365 including OneDrive and Skype, with the timing depending on plans for contract exit and funding approval.  The most likely scenario is migration from Q3 2016 to Q2 2017.
    9. The current Department of Health network architecture is shown below:

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Standard Reports

* 1. Overview
     1. An example of the DRAP (Directorate Resource Accountability Plan) report is embedded here.



* 1. Statutory reports required
     1. Workforce related
* Annual Civil Service Employment Survey (ACSES)
* Quarterly Public Sector Employment Survey (QPSES)
* Organogram/transparency data collection (bi-annual)
* Sickness absence analysis – rolling 12 months (quarterly)
* SCS Survey (quarterly)
* Public Sector Equality Duty (annual)
* Pay Remit reports (annual)
* Gender Pay Gap reporting (future legal requirement)

* + 1. Finance related
* DH Annual Report

* 1. Key operational MI:

* + 1. Workforce related
* Overall workforce size – rolling 12 month trend
* Productive capacity – snapshot, aligned with RAP
* Projected workforce (although I’m not expecting the system to produce this)
* Cost of workforce – 12 month trend, both payroll and off-payroll
* Spans of control / management layers
* Inflows and Outflows – rolling 12 month summary of and Net change in headcount
* Natural turnover – year to date, by grade and region
* Sickness absence – average working days lost due to sickness, by grade and compared to Civil Service average, 5 main reasons for short-term absence and 5 main reasons for long-term absence

* + 1. Finance related
* Sector report (FSG)
* Budget control report

* + 1. Finance and HR related
* RAP + Committed cost (i.e PO where goods not received) + Recorded connecting days
  + 1. Procurement related
* Total procurement spend and SME spend
* Spend over £10k in contract value;  spend over £25k; and procurement card spend over £500.
* Spend reported by "OSCAR" format
* Consultancy spend
* Contingent labour report spend.

Interface Specifications

* 1. System interfaces required
     1. The table below provides a high level specification of the interfaces required.

| System | Area | Current arrangement | What for | Frequency | | Volume | Description |
| --- | --- | --- | --- | --- | --- | --- | --- |
| RBS NatWest BACS payment system | BACS payments | RBS NatWest BACS payment using the BACSTEL-IP Bottomline Software with encryption | Supplier payments | Every day | | Highly variable | BACSTEL-IP Supplier Payments. Uses a stand-alone BACSTEL-IP PC in the Payables team. To note this is moving to a cloud based solution through Bottomline. |
|  |  | Medical benefit payments | Every other day | | Highly variable | BACSTEL-IP Medical Benefits (MEDBENS) Payments. Uses a standalone BACTSEL-IP ROIS laptop. |
|  |  | HAFS direct debits | Twice a year.  This can occur in any month though the peak in activity is in Sept and March. | | Average monthly transactions:  Sept: 730  March:1000  Apr-Aug: range 20-80  Oct-Feb: range 30 to 150 | HAFS Direct Debit Interface. HAFS team upload a spreadsheet to the BMS server of direct debit arrangements they need to set up and/or direct debit payments they need to collect. A file is generated and transferred using the BACSTEL-IP Bottomline Software for the bank to perform the collections. |
| Banner | Purchase Order | BMS create an XML purchase order then this is emailed to Banner | Ordering of office supplies | POs on demand and invoices monthly | | 150 invoices per year | When a PO is created for Banner an XML file is emailed to them. |
| RBS NatWest Bankline | Bank statement upload | RBS NatWest Bankline enables statement to be downloaded. File imported into BMS. | Bank statement reconciliation | Every day | | One statement per day per bank account | RBS NatWest Bankline software enables bank statements to be downloaded. These statements are then uploaded to the BMS server and PL/SQL programs import and reconcile the bank statement to MRM and Vertex 'external' payments previously loaded in the interfaces above. |
| Cheque payments | Upload of a cheque payment authorisation information to RBS NatWest via Bankline | Cheque authorisation file | 2 Per Month | | 100 - 150 cheques | BMS produces a "Positive Pay File" containing cheque payment authorisation information, which is sent to the bank to validate cheques presented for payment. |
| MRM | Payments made on behalf of DH | Payment file received from MRM which is imported into the cash management part of BMS. | MRM payments made | Every other day | | 12 transactions | MRM make payments on the Department of Health's behalf. The Department, however, needs a record of these payments. They are therefore imported into the Cash Management module of BMS. |
| Vertex |  | Payment file received from Vertex which is imported into the cash management part of BMS. | Vertex payment made | Every other day | | 70 transactions | Vertex make payments on the Department of Health's behalf. The Department, however, needs a record of these payments. They are therefore imported into the Cash Management module of BMS. |
| Hyperion | Consolidation | Currently it is a manual process for exporting DH's own financial position for loading into the Hyperion group consolidation tool. This needs an electronic interface. | Consolidating financial position across the DH family. | | | Yearly or bi-annually. May become monthly. | The consolidation solution Hyperion is being upgraded during 2017. Interface formats will be provided. |
| DH Intranet people directory | Organisation | The HR position is used to update other external directories. | Intranet people directory | | Every day | Approximately 10 transactions a day | HR to the online intranet Directory |
| DH Active Directory |  | Active Directory | | Every day | Approximately 10 transactions a day | HR to Active Directory. This interface will be two-way. It will require a unique identifier to be passed back to the HR system to support single sign-on. |

* 1. Interfaces to / from the existing payroll solution (ePayfact)
     1. A high level summary of the interfaces is provided below

| **System** | **Area** | **Current arrangement** | **What for** | **Frequency** | **Volume** | **Description** |
| --- | --- | --- | --- | --- | --- | --- |
| CGI Payroll | Payroll - payments made | Payroll file from CGI with monthly payments made which is imported to the general ledger. | Payroll file for GL | Monthly |  | GL postings to expenditure |
| Staff cost centre changes | File is generated from BMS of staff cost centre changes with is imported into the payroll system. This needs to be automated so relevant reference data between HR, payroll and finance is kept in sync. | Updating payroll static data | Monthly |  | Reflecting staff cost centre changes between finance and payroll. |
| Staff pay changes | Currently manually processed in both HR and separately in payroll. | To handle staff 'working arrangement changes that impact pay. | Every day | 100 per month | Staff pay changes are actioned by the HR team with the HR system updated. Currently these changes are then manually rekeyed into the payroll system ePayfact. This needs to be automated so any staff pay changes that are made to the HR system are automatically reflected in payroll, and finance, as part of an interface. |
| Sickness absence | An extract file is downloaded from BMS of all sickness absence for the month. This includes the open/close period and the absence code. This is then loaded into the payroll system. | To handle pay changes for sickness absence | Monthly |  |  |
| New Joiners | Currently manual. This needs to be automated into HR (for the new joiner set up in HR), in payroll (to set up the new joiner) and finance (for allocation to the right cost centre) | To handle setting up the reference data for new joiners across systems. | |  | New joiner information is sent from CSR (Civil Service Recruitment) to DH by way of an email. New joiners are then processed in the HR system and also in payroll. |
| Committee member fees | An Excel spreadsheet is sent by secretariats to payroll. This is saved in .CSV format and loaded into payroll. | To process fees, t&s and miscellaneous costs for committee members (people not employed by DH) | Monthly |  |  |

* + 1. Existing and CGI epayfact specifications are included below



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Data Migration and Upload

* 1. Overall

This Appendix sets out the strategy and principals for the migration of data from BMS to the new Corporate Service Solution.

* 1. Assumptions

The cut over to the new system will be for 31 March 2017 (for phase 1).

* 1. Principles

1. A minimum data set will be migrated to the new solution. This means closing financial balances and open items.
2. Only in flight transactional data will be migrated. In-flight transactions are mainly procurement transactions with purchase orders issued where the goods have not been received and receipted. The plan is to minimise the number of these open items as part of the close out of the legacy system.
3. Purchasing - all Invoices will be paid wherever possible. Outstanding order commitments will be transferred along with outstanding receipt values.
4. Sales Invoices - all outstanding sales invoices will be migrated.
5. All Expense claims will be cleared and paid.
6. Statistic data including records on Vendors and Customers will reviewed prior to migration to ensure that only current records are migrated.

HR data - all current HR records, staff and contractors will be migrated including all basic data, such as name, job title, position, organisational assignment, next of kin, confidential/restricted diversity data, pay and allowances, bank details etc. There could also be a minimum HR data set needed for old employees.

RACIs for implementation and on-going service.

* 1. Introduction
     1. Following discussions with all Tenderers, the Department has finalised the set of implementation and on-going services that best meet its needs and resource profile. Suppliers shall provide the services where there is Responsibility (R) and/or Accountability (A) within the scope of their fixed price.
     2. Please note that only R’s and As are included at this stage as being those items which will materially impact pricing.
  2. RACI for Implementation

| Area |  | Implementation activities | Supplier | DH |
| --- | --- | --- | --- | --- |
| **1. Configuration** | 1.1 | Provision of templates or materials that describe all the structures, tables and key elements that require input to configure the solution in preparation for the design phase | R,A |  |
| 1.2 | Management of the configuration process, including configuration change management | R, A |  |
| 1.3 | Provision of details of standard workflows available in the solution that can be configured, in preparation for the design phase | R,A |  |
| 1.4 | Provision of details of standard reports available in the solution in preparation for the design phase. | R,A |  |
| 1.5 | Provision of industry best practice business processes. | R,A |  |
| 1.6 | Provision of advice and policies that underpin best practice operation. | R,A |  |
| 1.7 | Provision of information about the Department’s Organisational hierarchies, roles, grades, competencies, chart of accounts and other core information during the design phase |  | R,A |
| 1.8 | Provision of DH specific workflow tasks and approvals to be built into the solution. |  | R,A |
| 1.9 | Provision of all resources required to configure the solution, build standing data tables, workflows, delegated authorities, reports and integrations | R,A |  |
| 1.10 | Provision of Subject Matter Experts (SMEs) to represent the Department for HR, Finance, P2P & Payroll for design and implementation |  | R,A |
| 1.11 | Provision of working space for Supplier staff and meeting rooms for (design) workshops |  | R,A |
| 1.12 | Provision of DH staff and SMEs to attend workshops and make design decisions |  | R,A |
| 1.13 | Provision of Security expertise to support assurance of the proposed solution design and completion of RMADS to comply with the specified security standards. | R,A |  |
| 1.14 | Development of DH specific policies and guidance |  | R,A |
| 1.15 | Build of DH specific guidance into the system | R | A |
| 1.16 | Provision of detailed timetable of workshops, topics to be covered, information required and people to attend. | R,A |  |
| 1.17 | Advance notice of all key decisions the Department is required to make and clear deadlines | R,A |  |
| 1.18 | Timely & robust decisions during design phase |  | R,A |
| **2. Build** | 2.1 | Configuration and build of the core solution, including initial workflows, processes , chart of accounts and other structures required | R, A |  |
| 2.2 | Development of an initial set of reports | R, A |  |
| 2.3 | Development of all required interfaces | R, A |  |
| 2.4 | Quality Assurance of build activities | R,A |  |
| 2.5 | Knowledge of DH interfaces |  | R,A |
| **3. Testing** | 3.1 | Definition of entry and exit criteria for all test phases, except UAT | R,A |  |
| 3.2 | Definition of entry and exit criteria and acceptance criteria for UAT |  | R,A |
| 3.3 | Testing (including System, Functional, Unit, Integration, load & performance) of the core solution, including any integration and interfaces | R,A |  |
| 3.4 | Development of test strategy & plan for all aspects of testing, excluding UAT | R,A |  |
| 3.5 | Development of test strategy & plan for UAT |  | R,A |
| 3.6 | Management of all testing, excluding UAT, including reporting | R,A |  |
| 3.7 | Management of UAT, including reporting |  | R,A |
| 3.8 | Provision of a test management tool to capture testing progress and manage defect prioritisation and resolution (also available for post go-live testing) | R,A |  |
| 3.9 | Provision of test scripts that can be adapted for UAT | R,A |  |
| 3.10 | Adaptation of test scripts for UAT to reflect DH scenarios plus test data |  | R,A |
| 3.11 | Provision of user representatives to carry out UAT |  | R,A |
| 3.12 | Provision of rooms and equipment (exc. Environments) to carry out UAT |  | R,A |
| **4. Data Migration** | 4.1 | Data migration strategy & planning. |  | R,A |
| 4.2 | Provision of advice and guidance for data migration strategy to ensure fit for purpose. | R,A |  |
| 4.3 | Provision of data handling policy and standards for DH data. |  | R,A |
| 4.4 | Provision of data migration templates | R,A |  |
| 4.5 | Population of data migration templates |  | R,A |
| 4.6 | Cleansing of data in existing BMS system |  | R,A |
| 4.7 | Extract of data from existing BMS system |  | R,A |
| 4.8 | Transformation of data to populate new templates |  | R,A |
| 4.9 | Advice and guidance on transformation of data | R,A |  |
| 4.10 | Provision of DH data for loading via secure method |  | R,A |
| 4.11 | Provisional load of data | R,A |  |
| 4.12 | Identification of load successes, errors and quality assurance | R,A |  |
| 4.13 | Testing of loaded data against extracted data, resolution of data quality errors and reporting on and resubmission of rejections |  | R,A |
| 4.14 | Secure transfer of any data from source system to template |  | R,A |
| 4.15 | Secure transfer of any data during migration from templates to solution | R,A |  |
| 4.16 | Final load of data | R,A |  |
| **5. Training** | 5.1 | Provision of core training material for professional and end-users | R,A |  |
| 5.2 | Development of training strategy and plan for all training including train the trainer, professional and end user training | R,A |  |
| 5.3 | Provision of DH context and requirements for training strategy and plan |  | R,A |
| 5.4 | Training Needs Analysis for all training including train the trainer, professional and end user training | R,A |  |
| 5.5 | Provision of DH context and requirements for Training Needs Analysis |  | R,A |
| 5.6 | Contextualisation of training material to DH for professional and end users | R,A |  |
| 5.7 | Provision of DH context for training material |  | R,A |
| 5.8 | Provide support for DH use of any online training tools, context-sensitive online help, or knowledge bases | R, A |  |
| 5.9 | Provision of training facilities– rooms, webex and user equipment for training |  | R,A |
| 5.10 | Training administration and logistics (rooms, availability) |  | R,A |
| 5.11 | Delivery of training to DH service management staff for the creation/modification of workflows, reports and dashboards | R,A |  |
| 5.12 | Delivery of train the trainer training for HR, Finance, P2P functional users and end users | R,A |  |
| 5.13 | Delivery of professional training to HR, Finance and P2P functional staff |  | R,A |
| 5.14 | Initial support/handholding of DH trainers | R,A |  |
| 5.15 | Delivery of training to end users (option for Supplier to provide) |  | R,A |
| **6. Cutover and go live** | 6.1 | Provision of DH user details and all security profiles required and control over any changes |  | R,A |
| 6.2 | Set up of users in new system | R,A |  |
| 6.3 | Cutover planning for new solution | R,A |  |
| 6.4 | Cutover planning for DH environment (including existing system) |  | R,A |
| 6.5 | Cutover management | R,A |  |
| 6.6 | Cutover management for DH environment |  | R,A |
| 6.7 | Switch over of DH interfaces to the new solution |  | R,A |
| 6.8 | Definition of go-live acceptance criteria and approvals |  | R, A |
| 6.9 | Go live readiness assessment for the solution | R,A |  |
| 6.10 | Go live readiness assessment for the business |  | R,A |
| 6.11 | Solution ready for go live operation | R,A |  |
| 6.12 | Go live decision |  | R, A |
| 6.13 | Transition of solution to live service | R,A |  |
| 6.14 | Transition of DH business to new operation and operating model |  | R,A |
| **7. Environments** | 7.1 | Provision, build and set-up of all development/build environments including those used for design sessions | R,A |  |
| 7.2 | Provision, build, set-up and management of test environments, including set-up for UAT | R,A |  |
| 7.3 | Provision, set up and management of data staging and pre-production environments | R,A |  |
| 7.4 | Provision, set-up and management of training environment | R,A |  |
| 7.5 | Provision, set up and management of the production environment, including set-up of users & security roles | R,A |  |
| 7.6 | Provision, set-up and management of all environments post go-live for testing of upgrades, patches | R,A |  |
| 7.7 | Provision of release and configuration management tools and skills to manage the solution components across all environments | R, A |  |
| 7.8 | Provision of technical skills needed to complete environment and network planning, and specify cloud environment requirements to suit DH needs (optimised availability, RAM, disk sizes, network management etc) | R, A |  |
| 7.9 | Management of hosting provider on all aspects of provisioning and performance of the environments | R, A |  |
| 7.10 | Identification and specification of connectivity requirements from cloud to DH | R,A |  |
| **8. Post go-live** | 8.1 | Post go live support with the majority of the Supplier team for at least eight weeks, including handholding through one month end and items 8.1a-d below | R,A |  |
| 8.2 | Hand holding of DH service management staff (for workflows/dashboards/reports) | R,A |  |
| 8.3 | Hand holding of DH service management staff for 1st line support | R,A |  |
| 8.4 | Floor walking (solution side) | R,A |  |
| 8.5 | Floor walking (business side) |  | R,A |
| 8.6 | Post go-live solution issue resolution (including lower priority defects rolled forward from testing) | R, A |  |
| 8.7 | Post go-live business issue resolution |  | R,A |
| 8.8 | Optimisation of business processes and implementation of new processes and policies |  | R,A |
| **9. Support for the management of Business Change** | 9.1 | Management of business Change (including all communication and stakeholder management) |  | R,A |
| 9.2 | Support to DH to carry out business impact assessment in terms of identifying solution impact on business operation | R,A |  |
| 9.3 | Business impact assessment of solution (i.e. identification of the impact on the business of using the solution) |  | R,A |
| 9.4 | Provision of solution collateral to support business change | R,A |  |
| 9.5 | Provision of a ‘model office’ capability to be included for use via the DH Intranet or ‘drop in’ sessions within the Department | R,A |  |
| 9.6 | Provide solution expertise to participate in DH roadshows (one to each key DH site, namely London, Leeds, Reading, Burnley and Runcorn) | R,A |  |
| 9.7 | Provide expertise to support 2 ‘show and tell’ style visits to each key DH site, namely London, Leeds, Reading, Burnley and Runcorn | R,A |  |
| **10. Programme Management** | 10.1 | Provision of PMO to manage all supplier led activities. | R,A |  |
| 10.2 | Provision and update of programme plan and management for all supplier led activities (configuration, build, cutover) | R,A |  |
| 10.3 | Provision and update of programme plan and management for all CSIP led activities |  | R,A |
| 10.4 | Provision and update of overall programme plan (inc. all CSIP and Supplier activities) |  | R,A |
| 10.4 | Provision of advice and guidance to CSIP overall planning | R,A |  |
| 10.5 | Provision and management of all staff to fulfill Supplier services | R,A |  |
| 10.6 | Provision and management of agreed DH resource (including but not limited to SME’s, trainers, data migration resource) |  | R,A |
| 10.7 | Reporting on progress against supplier led plan, and key risks and issues including weekly highlight reports | R, A |  |
| 10.8 | Reporting on progress against overall plan, and key risks and issues including weekly highlight reports |  | R,A |
| 10.9 | Maintenance of risk and issue logs for supplier led activities etc. | R,A |  |
| 10.10 | Maintenance of CSIP programme risk and issue logs etc. |  | R,A |
| 10.11 | Identification of all supplier led deliverables and agreement of deadlines for DH review and comment | R,A |  |
| 10.12 | Identification of CSIP deliverables and agreement of deadlines for review and comment |  | R,A |
| 10.13 | Review of all supplier led deliverables and sign-off within agreed deadlines |  | R,A |
| 10.14 | Attendance at project board (London) to provide updates on status, progress, risks and issues | R,A | R,A |
| 10.15 | Attendance at weekly CSIP meetings | R,A | R,A |
| 10.16 | Project Gateway support for the go live gateway. | R | A |
| **11. Change Control** | 11.1 | Identification of ***any*** activity (requested or otherwise) that is outside the fixed price scope of work that will incur additional cost and formal written notification to the Department of such activities ***before*** any work commences, , together with a clear specification, detailed scope, activities and cost of proposed change using agreed change control process. | R,A |  |
| 11.2 | Written request by the Department of any requested changes with a clear specification within timescales as dictated by the contract or the implementation plan. |  | R,A |
| 11.3 | Review & Approval of change and subsequent liability, to enable work to start. |  | R,A |

* 1. RACI for on-going service operation

| **Area** |  | **On-going service management activities** | **Supplier** | **DH** |
| --- | --- | --- | --- | --- |
| 1. Commissioning | 1.1 | Provision of post-implementation connectivity requirements from cloud to DH | R,A |  |
| 1.2 | Proving of DH connection to Cloud service |  | R,A |
| 1.3 | Proving of connectivity from service to Cloud | R,A |  |
| 1.4 | Provision of all licences for development, testing, migration, operation and on-going service management | R,A |  |
| 1.5 | Notification of adjustments to service charges for increases/decreases of user numbers and profiles | R,A |  |
| 1.6 | Provision of up to date user numbers and profiles - increases/decreases |  | R,A |
| 1.7 | Configuration & integration of ‘new’ 3rd party packages provided by Supplier | R,A |  |
| 1.8 | Configuration & integration of ‘new’ 3rd party packages provided by a third party |  | R,A |
| 1.9 | Support to Integrate 3rd party packages with core solution | R | A |
| 1.10 | Integration testing and commissioning of ‘new’ 3rd party packages onto the live service – either co-hosted or hosted elsewhere | R,A |  |
| 1.11 | User acceptance testing of ‘new’ 3rd party packages |  | R,A |
| 1.12 | Development and commissioning of new apps onto the live service | R,A |  |
| 1. Service Provision | 2.1 | Provision of 99.5% available hosted service for HR, Finance and P2P, including all environments and data storage required for full operational service | R,A |  |
| 2.2 | Hosting of ‘new’ 3rd party packages | R,A |  |
| 2.3 | Disaster Recovery planning & testing | R,A |  |
| 2.4 | Benchmarking of hosted elements |  | R,A |
| 2.5 | Transparency of hosting costs or costs to enable comparison | R,A |  |
| 2.6 | Regular backups of all data and daily offsite storage or other suitable provision. Test restores on a regular basis | R,A |  |
| 2.7 | Provision of transaction and login logs | R,A |  |
| 2.8 | Analysis/dip testing of transaction and login logs |  | R,A |
| 1. Security | 3.1 | Annual penetration tests by an independent 3rd party for the lifetime of the contract | R,A |  |
| 3.2 | Compliance with security requirements for the lifetime of the contract | R,A |  |
| 3.3 | Hosting, data storage and data/system access within the EEA | R,A |  |
| 1. Hardware Management | 4.1 | Management of all hardware, including upgrades required to provide the service | R,A |  |
| 1. Software support | 5.1 | Provision of support for all licenced software | R,A |  |
| 5.2 | Provision of support for all bespoke built coding/software | R,A |  |
| 5.3 | Warranty of all software, to match phasing of software use | R,A |  |
| 1. Software management | 6.1 | Management of all production environments, including applications and database administration | R,A |  |
| 6.2 | Notification of all forthcoming patches and software updates and their impacts. | R,A |  |
| 6.3 | Analysis of impacts of patches and upgrades on the DH configuration | R,A |  |
| 6.4 | Decision as to which patches and upgrades/updates to implement and when |  | R,A |
| 6.5 | Planning, implementation and testing of all software patches applied to the production environment | R,A |  |
| 6.6 | Planning, Implementation and testing of software updates applied to the production environment | R,A |  |
| 6.7 | User Acceptance testing of patches and updates |  | R,A |
| 6.8 | Provision and communication of roadmap of forthcoming functionality updates | R,A |  |
| 6.8 | Communication of DH business direction |  | R,A |
| 6.9 | Defect resolution, management of change requests and release management | R,A |  |
| 1. Service management | 7.1 | Definition and specification of 1st level support capability within DH |  | R,A |
| 7.2 | Provision of 1st level support requirements to enable 2nd/3rd level support | R,A |  |
| 7.3 | Provision of 1st level support |  | R,A |
| 7.4 | Provision of 2nd/3rd level support during core hours (as identified in service level requirements) | R,A |  |
| 7.5 | Provision of 2nd/3rd level support with agreed response and fix times (as identified in service level requirements) | R,A |  |
| 7.5 | Adherence to escalation procedure as described in SoR (7.4.6) | R,A |  |
| 7.6 | Monthly service reviews, including monthly reporting | R,A |  |
| 7.7 | Quarterly continuous improvement discussion – to assist DH in making best practice enhancements to the user experience (e.g. workflows, dashboards etc.) | R,A |  |
| 7.8 | On-going creation, amendment, testing and implementation of workflows and business processes in the service. |  | R,A |
| 7.9 | Provision of guidance to ensure on-going best practice operation | R,A |  |
| 7.10 | On-going creation, amendment, testing and implementation of dashboards and report in the service. |  | R,A |
| 7.11 | Provision of guidance to ensure on-going best practice utilization reports and dashboards | R,A |  |
| 7.12 | Update of master data in the service (such as Suppliers, Customers etc.) |  | R,A |
| 7.13 | Service monitoring – Database, Application and Hardware | R, A |  |
| 7.14 | Creation and management of users and their profiles in the service |  | R,A |
| 1. Service Credits | 8.1 | Provide KPI evidence in line with service levels | R,A |  |
| 8.2 | Adherence to and implementation of service credit regime | R,A |  |
| 1. Innovation | 9.1 | Provision of advice regarding upcoming functionality and how DH can deploy to full benefit – minimum bi-annually | R,A |  |
| 9.2 | Decision and planning regarding the deployment of new functionality (not otherwise covered by software upgrades) |  | R,A |
| 1. Service exit | 10.1 | Provision of support during service exit | R,A |  |
| 10.2 | Availability and extract of DH data in database format accessable by standard query tools | R,A |  |

Service Levels, KPIs and contract performance terms

* 1. Introduction
     1. Following discussions with all Tenderers, the Department has finalised the set of KPIs, services levels and service credits that best meet its needs and resource profile. Suppliers shall provide the levels of service specified below within the scope of their fixed price for service provision.
  2. Proposed Service Levels , KPIs and remedies for non performance

|  | **Service Levels** | | | | **Service Credit or remedy for each Service Period** |
| --- | --- | --- | --- | --- | --- |
| **ID** | **Service Level Performance Criterion** | **Key Indicator** | **Target Performance Level** | **KPI Service Threshold** |
| **SL1** | Availability of Core Services over each working day excluding bank holidays (Monday to Friday) from 6.30am to 10pm. | Availability | See below 1  At least 99.8% during DH working day | 99.5% | Service Credits and/or other financial remedy should be available once the service falls below the service level threshold. Repeated failures should attract increasing levels of credits once the availability target is missed in subsequent months. Tenderers to provide their best offer that meets or exceeds the service levels specified. |
| **SL2** | Supplier System Response Times | Response Times | See below2 | 95% | Service Credits and/or other financial remedy should be available. If not, failure to achieve response times should be a priority by the Supplier to resolve and escalated accordingly. |
| **SL3** | Service Desk Availability | Availability | At least 98% at all times3 | 95% | Service Credits and/or other financial remedy should be available in case of non performance.  Tenderers to provide their best offer that meets or exceeds the service levels specified. |
| **SL4** | Management of Service Incidents | Availability/ timelines | At least 98% at all times for first response and diagnosis.  See below4 | 95% |
| **SL5** | Resolution of faults with Supplier provided DH configuration or custom built software |  | At least 98% at all times for response to fix.  See below5 | 95% |
| **SL6** | Resolution of complaints | Escalation Timelines & Routes | At least 98% at all times  See below5 | 95% |

* 1. Definitions

***1SL1: Core Services***: Finance, HR and P2P.

Availability – target is 99.8% during the hours of 6.30am – 10pm with access 24x7 (not including pre-agreed maintenance periods). Below 99.5% availability service credit or other financial remedy to become available.

***2SL2: Supplier System Response Time***: The average System Response Time measured over the course of a Service Period, where ***System Response Time is defined as***:

The round trip time taken to process a message or request of the IT Environment and/or the Services, and shall be measured from the moment the last packet of data which relates to a particular message is received at the external interface of **the IT Environment** (The Customer System and the Supplier System) until a response is generated and the first block of data leaves the external interface (including, for the avoidance of doubt, the time taken for any necessary processing).

The maximum response time shall be an average response time of not more than 2 seconds as measured per month within the hosting data centre.

***3 SL3: Service Desk availability.*** This means the following:

|  |  |  |
| --- | --- | --- |
|  | **Service Description** | **Target performance level** |
| 1 | Hours of manned service desk operation over each working day excluding bank holidays (Monday to Friday) between 8am to 6pm | 98% |
| 2 | Calls via telephone to be answered within 20 seconds. | 98% |
| 3 | Abandoned calls (lasting longer than 20 seconds) will not exceed 2% of total calls | 98% |
| 4 | All incidents notified via telephone or email to be assigned a priority (see SL4 and SL5) on receipt. | 98% |
| 5 | Callers to be updated with Incident/Problem progress in line with agreed timescales for call Priority. See SL4 | 98% |
| 6 | All Incidents and Service Requests to be closed using agreed method of closure and with valid call closure code. | 98% |
| 7 | No limit on appropriately screened calls from 1st level support | 98% |

***4SL4: Management of Service Incidents.*** *Incidents with the core service to be managed as follows:*

|  |  |  |  |
| --- | --- | --- | --- |
| **Priority** | **Description** | **Response** | **Diagnose & plan to resolve** |
| 1 | DH’s use of the production service is stopped or so severely impacted that DH cannot reasonably continue to work. *To note: Finance, P2P and HR services will be mission critical to DH’s business.* | * On receipt * 1st update – 15 minutes * 2nd update – 30 minutes * subsequent updates every 60 minutes. | 1 hour  2nd escalation – 30 minutes  3rd escalation – 60 minutes  4th escalation – 80 minutes |
| 2 | One or several important business processes are unavailable in the service or important features are unavailable with no workaround or service performance is degraded such that DH’s business operations are impacted. | * On receipt * 1st update – 30 minutes * 2nd update – 2 hours * subsequent updates every 4 hours | 4 hours  2nd escalation – 8 hours |
| 3 | Business processes in the service are affected causing minor disruption and/or inconvenience. | 8 hours | 1 working days |
| 4 | Minor or cosmetic problem with some system functionality. Does not stop system from performing designed function. | 8 hours | 5 working days |

***5 SL5: Resolution of faults with Supplier provided DH configuration or custom built software.*** This is the response and fix time to incidents as below:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Priority** | **Description** | **First Response** | **Diagnose & plan to resolve** | **Fix** |
| 1 | DH’s use of the production service (including interfaces) is stopped or so severely impacted that DH cannot reasonably continue to work. *To note: Finance, P2P and HR services will be mission critical to DH’s business.* | 15 minutes | 1 hour | 1/2 working day |
| 2 | One or several important business processes and/or interfaces are unavailable in the service or important features are unavailable with no workaround or service performance is degraded such that DH’s business operations are impacted. | 45 minutes | 5 hours | 1 working day |
| 3 | Business processes and/or interfaces in the service are affected causing minor disruption and/or inconvenience. | 8 hours | 1 working days | 2 working days |
| 4 | Minor or cosmetic problem with some system functionality. Does not stop system from performing designed function. | 8 hours | 5 working days | 10 working days |
| 5 | Project/Development Request | 5 working days | As agreed | As agreed |

5 ***SL6: Complaints***. This is the timelines for handling & escalating complaints as below:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Level** | **Instances** | **Supplier’s Representative** | **DH’s Representative** | **Timescales (working days)** |
| 1 | User complaints or Incidents not resolved between DH and Suppliers Representative | Service Delivery Manager | Service Delivery Manager | 5 |
| 2 | Any Level 1 instance not resolved; or  Failure to agree on any matter within the scope of the Suppliers Service Delivery Manager or the DH’s Project Manager. | Suppliers Senior Representative | Service Delivery Manager | 5 |
| 3 | Any matter not resolved at Level 2; or  Failure to agree on any matter within the scope of the Suppliers Senior Representative or the DHs SRO. | Managing Director | Head of Service Delivery Management | 5 |

* 1. Contract performance terms

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Contractual provision** | **Proposed value** | **Notes** |
| **Implementation Phase** | | | |
| **Milestone Retentions** | Schedule 7.1 clause 1.3 (b) | 0% | The implementation close milestone is set at 15%. This is effectively the retention to encourage the Supplier to remain and resolve any outstanding issues. |
| **Delay Payments** | Schedule 7.1  Part C clause 1  Annex 2 Table 1 | Delay payment on Go live milestone only  To be set at:  2.5% of the full implementation cost for the 1st 30 days  5% of the full implementation cost for 30-60 days | This is to encourage the Supplier to meet the Go Live milestone rather than on interim milestone dates which may be altered subject to the plan. |
| **Milestone Payments** | Schedule 7.1  Part B clause 1  Annex 2 Table 1 | Key implementation milestones with payments and acceptance criteria to include: | Milestone payments which reflect value to the Authority. |
| Mobilisation | 10% of Implementation cost |  |
| **Acceptance Criteria:** Agreed implementation plan, mobilised Supplier & DH resources, access and use of design templates and best practice process |  |
| Design complete | 20% of Implementation cost |  |
| **Acceptance Criteria:** Agreed solution design document (including business configuration & interface specifications) |  |
| Build | 15% of Implementation cost |  |
| **Acceptance Criteria:** Solution available to use, subject to testing. |  |
| Supplier Test (including SIT, performance testing etc.) | 10% of Implementation cost |  |
| **Acceptance Criteria:** Number of open defects within agreed tolerances and with agreed resolution plan, achieved coverage of testing within agreed tolerances |  |
| UAT | 15% of Implementation cost |  |
|  | **Acceptance Criteria:** Number of open defects within agreed tolerances and with agreed resolution plan, achieved coverage of testing within agreed tolerances |  |
| Go Live | 15% of Implementation cost |  |
| **Acceptance Criteria:** Service operational for all users with no open severity one incidents |  |
| Implementation Close | 15% of Implementation cost |  |
| **Acceptance Criteria:** All outstanding issues identified at commencement of live operation closed with enhancements logged for continuous improvement. |  |
| **Payments** |  | Payment of invoices  30 days from receipt of invoice |  |
|  | Payment of Subcontractors  Suppliers to pay their suppliers (sub-contractors) within 30 days. |  |
| **Service Charges** | Schedule 7.1  Part B clause 2  Annex 2 Table 1 | During implementation, payment of charges for licences limited to those to be used for development only |  |
| **Steady State** | | | |
| **Service Charges** | Schedule 7.1  Part B clause 2  Annex 2 Table 2 | Payment of charges in lines with numbers in Appendix A of Annex to the ITSFT re-baselined and confirmed during implementation. |  |
| **Service Level & Credits** | Schedule 2.1 Annex 1  KPIs | SL1 – availability of core service | Target 99.8%, threshold 99.5% |
| SL2 Supplier System Response Time |  |
| SL3 Service Desk Availability | Responsiveness of service desk |
| SL4 Management of service incidents | Management of incidents |
| SL5 Resolution of faults with Supplier provided DH configuration or custom built software | Management of incidents and fix time |
| SL6 Resolution of Complaints | Escalation procedure |
| Schedule 7.1  Part C clause 3  Service Credits | *Tenderer to propose their level of credit and remedy that is their best offer to the Authority* | Financial remedy or service credit for non-performance SL1-6  SL1 and SL2 driven by SaaS service and terms. |
| Schedule 2.2  Part A clause 3  Repeated KPI failure | *Tenderer to propose their level of credit and remedy that is their best offer to the Authority* | Financial remedy or service credit for repeated non-performance SL1-6  Increased month on month % at risk to Service Credits for repeated failure.  SL1 and SL2 driven by SaaS service and terms. |
| **Remedies** | | | |
| **Thresholds for remedies** | Service Credit Cap  Level of service credits incurred in a 12 month period, beyond which service credits are no longer the only remedy available to DH | SL1 and SL2 (SaaS service availability/performance) – driven by SaaS service and terms. No service credit cap.  SL3 – SL6 (service desk) set at 15% - standard contract terms. |  |
| KPI Service Threshold | SL1 and SL2 (SaaS service availability/performance) depends on SaaS service and terms.  SL3-6 (service desk) 95% |  |
| Unacceptable KPI failure | SL1 and SL2 (SaaS service availability/performance) depends on SaaS service and terms.  SL3-6 (service desk) - set at 50% - standard contract terms. | SL3-SL6 If > than the specified % of KPIs are in default, DH can withhold relevant service charges. |
|  | Critical performance failure | The level at which we can terminate.  SL1 and SL2 (SaaS service availability/performance) depends on SaaS service and terms.  SL3-SL6 –> than 50% of the KPIs below 90% for 3 months | DH expectations   1. return of any prepaid service charges in case of termination 2. other compensation for DH costs to reimplement and/or revert to manual operation? |
| **Financial resilience and liability** | | | |
| **Insurance** | Schedule 2.5  Employer’s (Compulsory) Liability Insurance | £5m | As per PQQ |
| Schedule 2.5  Public Liability Insurance | £2m | As per PQQ |
| Schedule 2.5  Professional Indemnity Insurance | £5m | As per PQQ |
| **Limits of Liability (Clause 25.4)** | Clause 25.4(a))  Liability limit for damage to DH assets/property | £2m | TBC |
| Clause 25.4(d))  Liability limit for Supplier's Defaults | Minimum of £2m or [200%] whichever is greater. Same % figure for each of (i) – (iii)),. |  |
| Liability limit for Supplier's wilful Defaults (25.4 (d)) | Minimum of £4m or [400%] of annual charges (same % figure for each of (i) – (iii)), whichever is greater. |  |
| **Financial Distress** | Schedule 7.4 - current credit rating for the supplier required for Annex 3 |  |  |
| **Exit** | | | |
| **Termination Charge** | Schedule 7.2 –  Maximum figures to be added to Annex 1 | Standard termination terms during implementation.  **No** termination charges during steady state operation. |  |

Initial set of workflows to be configured

* + 1. The initial set of workflows to be configured in the Solution include:

|  | Area | Tasks | Approval | Checks | SoR ref |
| --- | --- | --- | --- | --- | --- |
| Budget approval workflow | GL & budgeting | * Enter budget * Approval * Budget ‘live’ | Approval by Delegated Authority |  | 6.1.7 |
| New Customer workflow | Accounts Receivable | * Customer record creation * Approval | Approval within AR team |  | 6.1.11 |
| New Supplier workflow | P2P | * Supplier record creation * Approval | Delegated authority |  | 6.2.1 |
| Requisition workflow | P2P | * Requisition creation/amend/ cancel for catalogue/non-catalogue/fixed asset items * Requisition approval/rejection/ additional information request * Approval reassignment * P.O. creation/auto-creation * Flow to Finance for fixed asset creation (if asset purchased) * Flow to procurement for sourcing & PO creation for non-catalogue items | Delegated Authority and auto reassignment | Check expenditure against approved budget with warning if exceeded  Contract number and details are aligned and valid | 6.2.7  6.1.22  6.2.3  6.2.8 |
| PO workflow | P2P | * PO creation/amend/ cancel/ close/additional information request * Approval * Approval reassignment * PO sent to supplier | Delegated Authority and auto reassignment | Check expenditure against approved budget with warning if exceeded  Check account code to determine the workflow path | 6.2.8  6.2.3 |
| No PO workflow | P2P | * Send received invoice to cost centre manage * Send automatic message to suppliers of invoice issue (no PO listed) if not on the approved non-PO invoice list * Account coding completedApproval * Flow to AP for payment | Delegated Authority |  | 6.2.11 |
| Raising credit note | P2P | Raise credit note  Approval  Match against invoice | Delegated Authority |  | 6.2.11 |
| Payment workflow | P2P | * Create payment * Approval * Action payment | Delegated Authority |  | 6.2.14 |
| Expenses | Expenses | * Expense claim creation/ amend/ cancel * Attach receipts * Expense claim approval/rejection | Line Manager | Ability to delegate where required | 6.3.4/6 |
| GPC cards | P2P | * Route card transactions to card holder * Card holder attaches receipts/adjust coding if required * Approval * Flow for payment | Delegated authority/ line Manager |  | 6.3.5 |
| Time Recording | Time Recording | * Time record creation / amend/ cancel * Time record approval/rejection | Line Manager |  | 6.4 |
| New Employee workflow | HR | * Create new HR record (employee/off-payroll) with expiry date for off-payroll * Approval? * Flow to facilities * Flow to payroll to set up pay | Line Manager’s manager or grade driven |  | 6.5.1 |
| Update employee details | HR | * Update record * Approval? * Update HR record | Line Manager | Approvals for updates to an individuals HR record are required when payroll or pensions are impacted | 6.5.6 |
| Temporary promotion workflow | HR | * Record Temporary promotion with expiry date * Approval * Update payroll | Line Manager’s manager |  | 6.5.22 |
| Employee changes workflow | HR | * Record updated cost centre move/line manager change/location change * Approval? * Update Finance, HR & payroll as required | Line Manager’s manager | Cost centre updates Finance & Payroll, line manager changes HR record & Check to see if location change has payroll impact and route to payroll if so. | 6.5.22 |
| Special bonus workflow | HR | * Record bonus details and justification * Approval * Update pay record * Route to payroll | Line Manager’s manager or grade driven |  | 6.5.22 |
| Request absence workflow | HR | * Complete leave request * Approve leave request * Update HR record | Line Manager | Further notifications required when absence triggers met | 6.5.8  6.5.30  6.5.33 |
| Request working arrangement change workflow | HR | * Request changes to contractual hours or working pattern * Approval * Update HR record * Route to payroll | Line Manager |  | 6.5.22, 6.5.30 |
| Request loan workflow | HR | * Complete load request * Approval * Update pay record * Route to payroll | Line Manager |  | 6.5.30, 6.5.22 |
| Record competency workflow | HR | * Record competency * Approval * Update record | Line Manager |  | 6.5.37 |
| Leaver workflow | HR | * Record as leaver & leave date/receive prompt for off-payroll contract expiry * Flow to employee for on-line exit interview * Flow to facilities to collect passes etc. * Flow to payroll for final salary calculation |  |  | 6.5.21 |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| Other workflows (not directly specified but probably required) | | | | | |
|  |  |  |  |  |  |
| AP hold workflow | AP | * Determine type of hold * Route to procurement or requisitioner/ requestor/ Budget holder to resolve (including a copy of the invoice and supporting details) * Invoice difference accepted/ rejected/ additional details required * Invoice hold escalation process | Central Finance team or local business unit |  | 6.2.11 |
| Catalogue upload authorisation | P2P | * Upload catatlogue * Approval * Catalogue live for ordering |  |  | 6.2.5 |
| Receipt reminder workflow | P2P | * Receipt reminders * Record Receipt * Receipt escalation process * Over-receipting notification * AP hold released/ match invoice * Full PO receipt after no action after last escalation |  |  | 6.2.10 |
| Journal approval workflow | Finance | * Create journal * Approval * Post journal | Delegated Authority |  |  |
| Contract expiry workflow | HR | * Notification of off-payroll/contract worker expiry |  |  |  |
| Talent Recording | HR | * Record Talent Grid * Approval * Update Record | Line Manager |  |  |
| Skills Management | HR | * Record Skills * Approval * Update Record | Line Manager |  |  |
| Performance Management | HR | * Record Objectives * Approval * Record Mid-Year * Approval * Record End of Year * Approval | Line Manager or LM Manager |  |  |
| Pay Award Rating | HR | * Record Annual Pay Award * Route to Payroll | Line Manager or LM Manager |  |  |

Existing Delegated Authorities

* + 1. Included below are the existing delegated authorities used within the Department.
    2. This is for information only. As part of the re-organisation of the Department, these delegated authorities will change and will be available during the design phase.



Phased functionality required

* 1. Phase 1 functionality
     1. The functionality, as represented by requirements marked as (M) and (D) in this document, represent the minimum viable product for delivery at go-live. The Department may decide to phase elements of functionality into business operation and this will be clarified during implementation.
  2. Phase 2 functionality
     1. As illustrated in 4.2.5, Skills and talent management are anticipated to go live during September 2017. The Supplier should indicate whether this functionality should be configured and implemented separately or along with the initial functionality being delivered by the end of March 2017.

DH expenses policy





Glossary

|  |  |
| --- | --- |
| Abbreviation | Description |
| AP | Accounts Payable |
| AR | Accounts Receivable |
| AVC | Additional Voluntary Contributions |
| BACS | Banks Automated Clearing System |
| BMS | Business Management System |
| BYOD | Bring Your Own Device |
| CAA | Capital Adjustment Account |
| CCS | Crown Commercial Service |
| CGI | Conseillers en gestion et informatique more commonly known as CGI (Information technology company) |
| CIPFA | Chartered Institute for Public Finance and Accountancy |
| CPI | Consumer Price Index |
| CPID | Counter Party Identifier |
| CPV | Common Public Procurement Vocabulary |
| CSP | Civil Service Pension |
| CSIP | Corporate Services Improvement Programme |
| CV | Curriculum Vitae |
| CSV | Comma Separated Values – a file format |
| CYOD | Choose Your Own Device |
| DH | Department of Health |
| DRAP | Directorate Resource Accountability Plan |
| EEA | European Economic Area |
| ER | Employee Relations |
| ET | Employment Tribunal |
| EU | European Union |
| FOI | Freedom of Information |
| FT | Full Time |
| FTE | Full Time Equivalent |
| GL | General Ledger |
| GPC | Government Procurement Card |
| GRN | Goods Received Notification |
| GUI | Graphical User Interface |
| HMRC | Her Majesty's Revenue and Customs |
| HR | Human Resources |
| HRA | Heath Research Authority |
| H&S | Health and Safety |
| IDAM | Identity and Access Management |
| IFRS | International Financial Reporting Standards |
| ITSIT | Invitation to Submit Initial Tender |
| KPI | Key Performance Indicator |
| MI | Management Information |
| MS | Microsoft |
| NHS | National Health Service |
| NHSE | National Health Service England |
| NI | National Insurance |
| NTDA | NHS Trust Development Authority |
| OSCAR | Online System for Central Accounting and Reporting. Cross Government system. |
| OSP | Occupational Sick Pay |
| PAYE | Pay As You Earn |
| PDR | Performance Development Review |
| P&L | Profit and Loss |
| P2P | Purchase to Pay |
| PO | Purchase Order |
| PSN | Public Services Network |
| PT | Part Time |
| RBS | Royal Bank of Scotland |
| RTI | HMRC's Real Time Information online service |
| SLA | Service Level Agreement |
| SSP | Statutory Sick Pay |
| TIA-942 | Telecom Industry Association standard that specifies the minimum requirements for telecommunications infrastructure of data centers and computer rooms |
| T&C | Terms and Conditions |
| T&S | Travel and Subsistence |
| TP | Temporary Promotion |
| UNSPSC code | United Nations Standard Products and Services Code - a taxonomy of products and services for use in eCommerce |
| VAT | Value Added Tax |
| VPN | Virtual Private Network |
| W3C | World Wide Web Consortium - Level AA is a set of testable criteria within this standard |
| WAI | Web Accessibility Initiative |
| WCAG | Web Content Accessibility Guidelines |
| WGA | Whole of Government Accounts |
| WTE | Working time equivalent |
| YTD | Year to Date |

1. Cyber Essentials is a government-backed, industry supported scheme to help organisations protect themselves against common cyber attacks. See <https://www.gov.uk/government/publications/cyber-essentials-scheme-overview>. [↑](#footnote-ref-1)