

Invitation to tender and statement of requirement

November 2022

Payroll and HR integrated system

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1. Purpose of document

- 1.1 The purpose of this document is to invite proposals for an integrated HR and Payroll system and payroll partner who will administer and process payroll for the Professional Standards Authority (Authority).
- 1.2 This document contains the following sections:
 - Introduction to the Authority
 - Statement of requirement
 - Tender proposal and evaluation criteria
 - Procurement procedures.

2. Introduction to the Authority

- 2.1 We are the oversight body for 10 statutory regulators of professionals working in the Health and Social Care sector. We promote the health, safety and well-being of patients, service users and the public by raising standards of regulation and registration of people working in health and care. We are a small, independent body, accountable to the UK Parliament.
- 2.2 More information about our work and the approach we take is available at www.professionalstandards.org.uk.

Our Values

- 2.3 Our values act as a framework for our decisions. They are at the heart of who we are and how we would like to be seen by our partners. Our values are:
- Integrity
 - Respect
 - Transparency
 - Fairness
 - Teamwork.

Supplying the Authority

- 2.4 We are responsible for purchasing the goods and services necessary to achieve our role.
- 2.5 Therefore, we aim to achieve the following values:
- To provide a modern, efficient, transparent and responsible procurement service
 - To achieve value for money by balancing quality and cost
 - To ensure contracts are managed effectively and outputs are delivered
 - To ensure that processes have regard for equality, diversity and inclusion
 - To ensure that procurement is undertaken with regard to law and best practice.

3. Statement of Requirement

Background to the project

Currently we have approximately 54 staff on payroll.
We are looking to procure a payroll partner for payroll processing and a cloud based payroll management system with multi factor authentication which should include self-service, learning and development and user-friendly reporting.

Project Objectives & Scope

Payroll

This must include a self-service HR system with absence management booking/monitoring and user friendly reporting with the opportunity to add further modules such as recruitment.

There will be up to 4 Payroll system users (who should have administrative access to the payroll elements) and up to 4 HR system users (who should have administrative access to the HR elements) and the capacity for up to 60 self-service users. There must be the ability for a clear and secure separation of functions. HR records for up to 250 staff must be able to be held for up to 6 years after they stop being active accounts and pension records must be able to be kept up to the users 100th birthday.

We must be able to add, edit and remove records and produce reports easily without paying for additional support.

The system must meet accessibility requirements and have functions for things like easy read.

The project will include the migration of information from our existing system (Moorepay) to the new one and the successful contractor must set out how this will be managed and how conversations with the existing supplier will be done.

We intend this to be for an initial three-year contract.

Supplier requirements Payroll:

Extensive knowledge of the PAYE tax system, and the requirements from HM Revenue & Customs (HMRC).

Proven experience of payroll legislation and accredited BACs processes required for both monthly and annual payroll processes.

Timely processing of payroll data to ensure staff are paid accurately on the designated pay date

Ability to provide other services on an ad hoc basis (eg calculation of taxable expenses)

The ability, at no extra cost, to run the payroll on a different date from time to time, such as at Christmas

Requirement to have a single named payroll officer (with backup) with extensive payroll expertise for support with all payroll queries for effective communication

Qualifications of key personnel e.g. The Chartered Institute of Payroll Professionals (or equivalent)

Provide examples of successful service delivery to the similar sized organisation (with given permission to contact for references)

System requirements Payroll:

- BACs registered bureau
- User friendly interface
- HMRC Accredited Payroll Software
- Facility to process payments such as Bonus, Season Ticket Loans, Childcare Vouchers, Salary Sacrifice payments.
- Compliance with the General Data Protection Regulation and ability for secure email / data transfer
- Calculation and payments to cover all various pay elements ie Statutory Sick Pay, Statutory Maternity Pay, Paternity Pay, Student Loan deductions, Jury Service
- Calculations of employee payment due on the last day of service
- Process temporary and permanent variations to pay
- Process emergency payment request
- Net pay, gross pay and deduction calculations
- pension payments in accordance with auto enrolment & legislation
- HMRC payments (Tax and National Insurance calculated)
- Ability to make 3rd party payments (Pension, HMRC etc)
- Online and Paper payslips, with full payslips history and reprinting options. To include ePayslip and eP60
- Payroll reports to cover inputting, compliance and error/difference reports highlighting any parameters to us
- Interim preview and exceptions payroll reports
- Agreed suite of client reports e.g. Monthly and Year to date. Reports to be at Employee line level for all payslip fields
- All reports available in Excel and PDF format
- Report Design tool
- Ability to make additional changes at preview stage
- Year-end processing including P60, P45s, P11D's Full payment submission and employment summary to HMRC.

System requirements HR:

Self Service – new starters to be able to input their own information (and for this to be picked up and checked by payroll and to be able to download this information).

We must be able to input contract details and patterns based on a variety of contract types including flexible working patterns such as part time working and fluctuating changing working patterns and calculate holiday allowances automatically based on this.

Annual leave, sick leave and other types of leave records must have the functionality to be able to produce reports for (or ideally to link to payroll) for example monthly reconciliations.

Have an enabled system reminder for trigger points for such as when sick pay reduces from full pay, probation meetings are due or visa renewals due. Preferably with a link to Microsoft Outlook calendars.

Ability to create departments and reporting lines which flow to authorisation chains and the ability to produce organisational charts showing this, with the ability to easily amend if reporting lines change.

A document library for standard letters (amendable) and a mail merge functionality for areas such as annual leave entitlements

Staff to be able to enter EDI data themselves and the ability to generate anonymised reports cross referencing this.

Staff to be able to input any training they have attended .
The ability to produce reports and compare data – the ability to enter our own search parameters.

A recruitment management system which monitors the recruitment stages and can produce reports on for example how long a role has taken to fill.

Easy to read dashboard for individuals, teams and the overall organisation.

A help functionality with easy how to guides and updates to these if there are any changes to the system.

Project Outputs, deliverables and contract management

Outputs and deliverables

- The Supplier will provide a dedicated named single point of contact for the project for us to liaise with
- The supplier will need to prepare a project plan and present it with the proposal. If a contract is awarded to the supplier, the plan should be kept up-to-date and shared on a fortnightly basis
- Demonstration of the system and the reporting tool at the proposal stage for comment
- Transfer of information from the existing system to the new one and support during the migration and testing period
- Workshops and training courses on using the system

- The ongoing contract will be managed by quarterly meetings with the supplier, the Head of HR and the Head of Finance.

Project timescales

Set out details of any relevant project dates and deadlines

For example:

The provisional project timetable is as follows:

- Start-up meeting and commencement w/c 23/01/2023.
- Monthly updates on progress and any issues
- Presentation of interim findings on 26/02/2023 (or as agreed)
- System set up by 31/03/2023 (to begin parallel run).
- Final roll out 1/06/2023

Budget and Payment Schedule

The maximum budget for this piece of work is £45,000 (inclusive of expenses and VAT) over 3 years. However, we expect bids to be significantly below this threshold.

Bidders are required to split out costs in the following way:

- Initial set up and data transfer costs
- 2-month parallel run costs
- Annual costs thereafter

Payment options

Payment Schedule:

100% of set up costs on delivery of system set up 31/03/2023

100% of parallel run costs on delivery of final roll out output on 31/05/2023

1/12 of the annual costs to be billed monthly thereafter

Further project related information for bidders

Intellectual Property Rights

We will own the intellectual property rights for all project related documentation and artefacts.

Confidentiality

All consultants working on the project are required to abide by the Cabinet Office's protective marking guidelines, which we use to protectively mark a proportion of its information.

Sub-Contractors

1. Contractors may use sub-contractors subject to the following:
 - That the contractor assumes unconditional responsibility for the overall work and its quality
 - That individual sub-contractors are clearly identified, with fee rates and grades made explicit to the same level of detail as for the members of the lead consulting team.
2. Internal relationships between the contractor and its sub-contractors will be entirely the responsibility of the contractor. Failure to meet deadlines or to deliver work packages by a subcontractor will be attributed by the us entirely to the contractor.

4. Tender response and evaluation criteria

The tender response

The proposals for this project should include an outline of how bidders will meet the requirement outlined in section (ii) "Statement of Requirement". The following information should be included:

Understanding of our requirements

- Demonstrate an understanding of the requirement and overall aims of the project.

Pricing

A fixed fee for the project inclusive of all expense.

Evaluation Criteria

Tenders will be assessed for compliance with procurement and contractual requirements which will include:

- Completeness of the tender information
- Tender submitted in accordance with the conditions and instructions for tendering
- Tender submitted by the closing date and time
- Compliance with contractual arrangements.

Tenders that are not compliant may be disqualified from the process. We reserve the right to clarify any issues regarding a bidder's compliance. It will be at the Authority's sole discretion whether to include the relevant bidder's response in the next stage of the process.

Methodology (30%)

The proposal should set out the methodology by which the project requirement will be initiated, delivered and concluded. It must:

- Explain the methodology and delivery mechanisms to ensure that the requirements of this specification are met in terms of quality
- Explain how your organisation will work in partnership with the Authority's project manager to ensure that the requirement is met

- Explain how your organisation will engage with external stakeholders
- Outline how the proposed approach utilises innovative consultation methodologies to develop a diverse and comprehensive evidence-base.

Delivery (30%)

The proposal should set out how and when the project requirement will be delivered. It must:

- Explain how this work will be delivered to timescale and how milestones will be met, detailing the resources that will be allocated to each stage
- Demonstrate an understanding of the risks, and project dependencies and explain how they would be mitigated to ensure project delivery
- Explain the resources that will be allocated to delivering the required outcomes/output, and what other resources can be called upon if required.

Experience (30%)

The proposal should set out any experience relevant to the project requirement. It must

- Highlight the organisation's relevant experience for this project, submitting examples of similar projects.

Cost / Value for money (10%)

A **fixed fee** for delivery of the project requirement (inclusive of all expenses), including a full price breakdown for each stage of the project and details of the day rates that will apply for the lifetime of this project.

Marking Scheme

Score 0	Unanswered or totally inadequate response to the requirement. Complete failure to grasp/reflect the core issues
1	Minimal or poor response to meeting the requirement. Limited understanding, misses some aspects
3	Good understanding and interpretation of requirements, providing clear evidence of how the criterion has been met
5	Excellent response fully addressing the requirement and providing significant additional evidence of how the criterion has been met and how value would be added

5. Procurement procedures

Tendering Timetable

- 5.1 Tenders are required to be open for a minimum of 10 working days.
- 5.2 The timescales for the procurement process are as follows:

Element	Timescale
Invitation to tender issued	22/11/2022
Deadline for the submission of all relevant forms	13/12/2022
Deadline for submission of proposals	13/12/2022
Shortlisted suppliers notified	20/12/2022
Interviews and presentations*	W/C 9/01/2023
Award contract	18/01/2023
Project Inception Meeting	W/C 23/01/2023

*Please ensure that the Project Manager and other key consultants who will be delivering this work are available to give presentations on the interview date.

Tendering Instructions and Guidance

Amendments to ITT document

- 5.3 Any advice of a modification to the invitation to tender will be issued as soon as possible before the tender submission date and shall be issued as an addendum to, and shall be deemed to constitute part of, the invitation to tender. If necessary, we will revise the tender date to comply with this requirement.

Clarifications and queries

- 5.4 Please note that, for audit purposes, any query in connection with the tender should be submitted via email and should be saved accordingly. The response, as well as the nature of the query, will be notified to all suppliers without disclosing the name of the supplier who initiated the query.

Submission process

- 5.5 Tenders will be accepted no later than the submission date and time shown above. Tenders received after the closing date and time may not be accepted. Bidders have the facility to email later versions of tenders to the relevant member of staff until the closing date/time.
- 5.6 Please submit the supplier questionnaire along with your proposal.
- 5.7 An evaluation team will evaluate all tenders correctly submitted against the stated evaluation criteria.

- 5.8 By issuing this invitation to tender we do not undertake to accept the lowest tender, or part or all any tender. No part of the tender submitted will be returned to the supplier

Cost and pricing information

- 5.9 Tender costs remain the responsibility of those tendering. This includes any costs or expenses incurred by the supplier in connection with the preparation or delivery or in the evaluation of the tender. All details of the tender, including prices and rates, are to remain valid for acceptance for a period of 90 days from the tender closing date.
- 5.10 Tender prices must be in sterling.
- 5.11 Once the contract has been awarded, any additional costs incurred which are not reflected in the tender submission will not be accepted for payment.

References

- 5.12 References provided as part of the tender may be approached during the tender stage.

Contractual information

- 5.13 Following the evaluation of submitted tenders, in accordance with the evaluation criteria stated in this document, a contractor may be selected to perform the services and subsequently issued with an order.
- 5.14 Any contract awarded, as a result of this procurement will be placed with a prime contractor who will take full contractual responsibility for the performance of all obligations under the contract. Any sub-contractors you intend to use to fulfil any aspect of the services must be identified in the tender along with details of their relationship, responsibilities and proposed management arrangements.
- 5.15 The proposal should be submitted in the form of an unconditional offer that is capable of being accepted by us without the need for further negotiation. Any contract arising from this procurement will be based upon our standard procurement terms and conditions. You should state in your proposal that you are willing to accept these terms and conditions.
- 5.16 We do not expect to negotiate individual terms and will contract based on terms that will be outlined by us. If you do not agree to the conditions of a contract, then your tender may be deselected on that basis alone and not considered further.
- 5.17 We may be prepared to consider non-fundamental changes to the standard terms and conditions in exceptional circumstances. If there are any areas where you feel you are not able to comply with the standard terms and conditions, then details should be submitted as a separate annex to the proposal using the following format:

<i>Clause Number</i>	<i>Existing Wording</i>	<i>Proposed Wording</i>	<i>Rational for amendment</i>

- 5.18 Any services arising from this ITT will be carried out pursuant to the contract which comprises of:
- Our terms and conditions
 - Service schedules
 - This invite to tender and statement of requirement document; and
 - The chosen supplier's successful tender.
 - Our transparency obligations and the Freedom of Information Act 2000 (FOIA)
- 5.19 We comply with the Government's transparency agenda and as a result, there is a presumption that contract documentation will be made available to the public via electronic means. We will work with the chosen supplier to establish if any information within the contract should be withheld and the reasons for withholding it from publication.
- 5.20 Typically, the following information will be published:
- Contract price and any incentivisation mechanisms
 - Performance metrics and management of them
 - Plans for management of underperformance and its fiscal impact
 - Governance arrangements including through supply chains where significant contract value rests with subcontractors
 - Resource plans
 - Service improvement plans.
- 5.21 Where appropriate to do so information will be updated as required during the life of the contract, so it remains current.
- 5.22 In addition, as a public authority, we are subject to the provisions of the FOIA. All information submitted to a public authority may need to be disclosed by the public authority in response to a request under the FOIA. We may also decide to include certain information in the publication scheme which it maintains under the FOIA.
- 5.23 If a bidder considers that any of the information included in its proposal is commercially sensitive, it should be identified and explained (in broad terms) what harm may result from disclosure if a request is received and the time applicable to that sensitivity. Bidders should be aware that even where they have indicated that information is

commercially sensitive we may be required to disclose this information under the FOIA if a request is received. Bidders should also note that the receipt of any material marked “confidential” or equivalent by the public authority should not be taken to mean that the public authority accepts any duty of confidence by that marking. If a request is received we may also be required to disclose details of unsuccessful bids

5.24 Please use the following matrix: to list such information:

Para. No.	Description	Applicable exemption under FOIA 2000