



# Invitation to Quote

**Invitation to Quote (ITQ) on behalf of The Office of Manpower  
Economics (OME)**

**Subject UK SBS Armed Forces' Pay Review Body (AFPRB) –  
Review of the X-Factor**

**Sourcing reference number BLOJEU-CR17065OME**

**UK Shared Business Services Ltd (UK SBS)**  
[www.uksbs.co.uk](http://www.uksbs.co.uk)

Registered in England and Wales as a limited company. Company Number 6330639.  
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**UKSBS**  
  
*Shared Business Services*

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# Section 1 – About UK Shared Business Services

## Putting the business into shared services

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

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

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

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

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

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

## Our Customers

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

UK SBS currently manages £700m expenditure for its Customers.

Our Customers who have access to our services and Contracts are detailed [here](#).

## Section 2 – About Our Customer

### Office Manpower Economics (OME)

The Office of Manpower Economics provides an independent secretariat to eight Pay Review Bodies which make recommendations impacting 2.5 million workers – around 45% of public sector staff – and a pay bill of £100 billion:

- Armed Forces' Pay Review Body (AFPRB)
- Review Body on Doctors' and Dentists' Remuneration (DDRB)
- NHS Pay Review Body (NHSPRB)
- Prison Service Pay Review Body (PSPRB)
- School Teachers' Review Body (STRB)
- Senior Salaries Review Body (SSRB)
- Police Remuneration Review Body (PRRB)
- National Crime Agency Remuneration Review Body (NCARRB)

Further information is at: <https://www.gov.uk/government/organisations/office-of-manpower-economics/about>

## Section 3 - Working with UK Shared Business Services Ltd.

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

Section 3 – Contact details		
3.1	Customer Name and address	Office of Manpower Economics 8 <sup>th</sup> Floor Fleetbank House 2-6 Sailsbury Square London EC4Y 8JX
3.2	Buyer name	Rebecca Fish
3.3	Buyer contact details	Research@uksbs.co.uk
3.4	Estimated value of the Opportunity	£45,000 ex VAT
3.5	Process for the submission of clarifications and Bids	<b>All correspondence shall be submitted within the Emptoris e-sourcing tool. Guidance Notes to support the use of Emptoris is available <a href="#">here</a>. Please note submission of a Bid to any email address including the Buyer <u>will</u> result in the Bid <u>not</u> being considered.</b>

Section 3 - Timescales		
3.6	Date of Issue of Contract Advert and location of original Advert	05/06/2017 Contracts Finder
3.7	Latest date/time ITQ clarification questions should be received through Emptoris messaging system	23/06/2017 14:00
3.8	Latest date/time ITQ clarification answers should be sent to all potential Bidders by the Buyer through Emptoris	27/06/2017
3.9	Latest date/time ITQ Bid shall be submitted through Emptoris	29/06/2017 14:00
3.11	Anticipated rejection of unsuccessful Bids date	14/07/2017
3.12	Anticipated Award date	14/07/2017
3.13	Anticipated Contract Start date	17/07/2017
3.14	Anticipated Contract End date	31/10/2017
3.15	Bid Validity Period	60 Days

## Section 4 – Specification

### **Introduction**

1. The Office of Manpower Economics (OME) provides support for all the independent Pay Review Bodies. In supporting these bodies, one of OME's key functions is to provide high quality research-based technical advice drawing on economic, pay, labour market, statistical and other technical data. More information about the OME, the bodies it supports, and the research it undertakes, can be found on its website:

<https://www.gov.uk/government/organisations/office-of-manpower-economics/about>

2. AFPRB provides independent advice to the Prime Minister and the Secretary of State for Defence on the remuneration and charges for Armed Forces' personnel. In reaching its recommendations, AFPRB takes account of: the need to recruit, retain and motivate suitably able and qualified people taking account of the particular circumstances of Service life; Government policies; the MoD's budget; and the Government's inflation target. It must also consider the need for the pay of the Armed Forces to be broadly comparable with pay levels in civilian life.

### **Background**

3. X-Factor is a pensionable addition to basic military pay intended to reflect the disadvantage in conditions of service experienced by members of the Armed Forces compared with civilians; it is currently set at 14.5 per cent. X-Factor takes account of a range of components, but is not linked to mechanistic formulae. The rate tapers for more senior Officers (Colonel equivalent and above) as it was felt that those personnel were less affected by some aspects of the X-Factor. In addition, parts of AFPRB's remit group are entitled to lower levels of X-Factor, such as Reserves and Military Provost Guard Service. AFPRB is responsible for the structural aspects of X-Factor including its make-up, application and level. It is reviewed every five years unless AFPRB decides earlier review is appropriate.

4. X-Factor is one of the fundamental parts of the military remuneration package for which AFPRB is responsible. In order for AFPRB to be in a position to accurately review the level

of X-Factor for their 2018 Report, they need to have an understanding of the changes in its various components that have occurred in both the civilian and military sectors. This will enable AFPRB to evaluate any movement in relative advantage or disadvantage between military and civilian life. The last change in the level of the X-Factor was in 2013, from 14 per cent to 14.5 per cent. The table below shows changes to the level of X-Factor since its introduction.

Review Year	Percentage of basic pay	
	Men	Women
1970	5	1
1974	10	5
1982	10	7.5
1988	10	9
1990	10.5	9
1991	11.5	
1994	12	
2000	13	
2002	13	
2008	14	
2013	14.5	

5. A summary of the conclusions of the most recent review of the level of X-Factor are contained in Chapter 4 of the 2013 AFPRB report:

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/226576/CM\\_8\\_571\\_AFPRB\\_42nd\\_Report\\_-\\_2013.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/226576/CM_8_571_AFPRB_42nd_Report_-_2013.pdf). AFPRB concluded that the overall deterioration in Service life had been accompanied by some improvements in civilian life. The net effect was a material change in the degree of disadvantage since 2008, with AFPRB recommending an increase in X-Factor by 0.5 percentage points to 14.5 per cent.

6. A more recent study into the X-Factor focussed on reviewing and updating its component factors and this resulted in some modifications and a reduction from 18 to 13 factors. The review of the components can be found here:

<https://www.gov.uk/government/publications/a-review-of-the-x-factor-components-february-2014>. The 13 X-Factor components proposed in the latest review were subsequently accepted by AFPRB and are set out in Annex 7 of AFPRB's 45<sup>th</sup> report: [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/411838/4686\\_9\\_Cm\\_9025\\_Armed\\_Forces\\_Pay\\_accessible.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/411838/4686_9_Cm_9025_Armed_Forces_Pay_accessible.pdf)

**It is the assessment of data on these updated components, and the extent to which this indicates change over time, which is the subject of this invitation to tender.**

### **Aims and Objectives**

7. The aim of this project is to inform AFPRB's review of the X-Factor in 2017, ahead of its report in 2018. The project will provide an assessment of the X-Factor components as they relate to the **civilian** sector. Data relating to the military sector will be collected and assessed elsewhere and will not form part of this project. The two sets of data will be presented to AFPRB to inform their review.

8. The objectives of this exercise are to:

- Identify and provide quantitative data for the civilian sector relating to each of component factors. Data to cover the period from 2012-2017;
- Identify credible alternative data sources as a contingency in case those used previously are no longer available/out of date;
- Advise OME of appropriate sources of additional or alternative qualitative data;
- Provide OME with an analysis of these data, as they relate to the civilian sector, an assessment of how they have changed since 2012, and an assessment of which components are the most highly valued in the civilian sector;
- Provide OME with an assessment of which of these data sources are likely to be available for use in future reviews of X-Factor.

### **Deliverables and research milestones**

9. The deliverables required are:

- By the 4 August 2017, a short paper outlining the sources identified to conduct this review (which must be approved by OME / the AFPRB before the work can proceed to the next stage).
- By 15 September 2017 a succinct, accessible draft report, to address the objectives identified in paragraphs 7 and 8. This should include:
  - a summary of findings in a simple diagram/illustration showing whether, in civilian life since 2012, available data suggests the individual components have: improved a lot/improved a little/stayed much the same/deteriorated a little/deteriorated a lot - or that the available information on a component is inconclusive (or else not available).
  - Detailed documentation and discussion of the evidence, its strengths and

weaknesses, signposting of sources etc.

- By 13 October 2017 a final version of the full report taking into account OME/ AFPRB suggestions on the earlier draft version;
- On a date to be agreed with the AFPRB secretariat, a presentation of the findings to AFPRB;

### **Project management**

10. The chosen contractor will agree with the OME:

- detailed arrangements for the management of the Project including regular telephone/emailed updates and, as necessary, occasional progress meetings to discuss emerging findings;
- detailed timings for the stages of the Project;
- availability of project team members across the life span of the project including indications of the expected number of days work per person;
- availability of team members for a pre-defined period beyond the end of the project to answer any queries arising.

### **Data quality standards required**

11. Data and analysis used and provided should be as up to date and robust as possible, and the report must include clear documentation of the sources used, including any noteworthy strengths and weaknesses. Data visualisation methods, e.g. tables, charts, diagrams etc which facilitate understanding of the report will be encouraged.

### **Ownership and Publication**

12. The Office of Manpower Economics will own all deliverables produced under the contract and will be free to use these as it wishes. OME expects to publish the contractor's final report on its website within Gov.uk at a time to be decided by the AFPRB secretariat team.

### **Terms and Conditions**

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

## Section 5 – Evaluation model

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

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

The evaluation team may comprise staff from UK SBS, the Customer and any specific external stakeholders UK SBS deem required. After evaluation the scores will be finalised by performing a calculation to identify (at question level) the mean average of all evaluators (Example – a question is scored by three evaluators and judged as scoring 5, 5 and 6. These scores will be added together and divided by the number of evaluators to produce the final score of 5.33 ( $5+5+6 = 16 \div 3 = 5.33$ ))

Pass / fail criteria		
Questionnaire	Q No.	Question subject
Commercial	SEL1.2	Employment breaches/ Equality
Commercial	FOI1.1	Freedom of Information Exemptions
Commercial	AW1.1	Form of Bid
Commercial	AW1.3	Certificate of Bona Fide Bid
Commercial	AW3.1	Validation check
Commercial	AW4.1	Contract Terms
Price	AW5.5	E Invoicing
Price	AW5.6	Implementation of E-Invoicing
Quality	AW6.1	Compliance to the Specification
-	-	Invitation to Quote – received on time within e-sourcing tool

Scoring criteria			
<b>Evaluation Justification Statement</b>			
In consideration of this particular requirement UK SBS has decided to evaluate Potential Providers by adopting the weightings/scoring mechanism detailed within this ITQ. UK SBS considers these weightings to be in line with existing best practice for a requirement of this type.			
Questionnaire	Q No.	Question subject	Maximum Marks
Price	AW5.2	Price	20.00%
Quality	PROJ1.1	Understanding of the requirement	10.00%
Quality	PROJ1.2	Methodology	25.00%
Quality	PROJ1.3	Capacity and expertise	25.00%
Quality	PROJ1.4	Project Plan and Timescales	20.00%

## Evaluation of criteria

### Non-Price elements

Each question will be judged on a score from 0 to 100, which shall be subjected to a multiplier to reflect the percentage of the evaluation criteria allocated to that question.

Where an evaluation criterion is worth 20% then the 0-100 score achieved will be multiplied by 20.

**Example** if a Bidder scores 60 from the available 100 points this will equate to 12% by using the following calculation: Score/Total Points available multiplied by 20 ( $60/100 \times 20 = 12$ )

Where an evaluation criterion is worth 10% then the 0-100 score achieved will be multiplied by 10.

**Example** if a Bidder scores 60 from the available 100 points this will equate to 6% by using the following calculation: Score/Total Points available multiplied by 10 ( $60/100 \times 10 = 6$ )

The same logic will be applied to groups of questions which equate to a single evaluation criterion.

The 0-100 score shall be based on (unless otherwise stated within the question):

0	The Question is not answered or the response is completely unacceptable.
10	Extremely poor response – they have completely missed the point of the question.
20	Very poor response and not wholly acceptable. Requires major revision to the response to make it acceptable. Only partially answers the requirement, with major deficiencies and little relevant detail proposed.
40	Poor response only partially satisfying the selection question requirements with deficiencies apparent. Some useful evidence provided but response falls well short of expectations. Low probability of being a capable supplier.
60	Response is acceptable but remains basic and could have been expanded upon. Response is sufficient but does not inspire.
80	Good response which describes their capabilities in detail which provides high levels of assurance consistent with a quality provider. The response includes a full description of techniques and measurements currently employed.
100	Response is exceptional and clearly demonstrates they are capable of meeting the requirement. No significant weaknesses noted. The response is compelling in its description of techniques and measurements currently employed, providing full assurance consistent with a quality provider.

All questions will be scored based on the above mechanism. Please be aware that the final score returned may be different as there may be multiple evaluators and their individual scores will be averaged (mean) to determine your final score.

### Example

Evaluator 1 scored your bid as 60

Evaluator 2 scored your bid as 60

Evaluator 3 scored your bid as 40

Evaluator 4 scored your bid as 40

Your final score will  $(60+60+40+40) \div 4 = 50$

**Price elements** will be judged on the following criteria.

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

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

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

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

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

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

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

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

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

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

#### **In the event of a tie -**

Once the evaluation process and due diligence is complete, should the result of the process result in a tied place(s) then the supplier(s) who scored the highest total in the following quality total criteria shall be considered the successful supplier and shall be awarded the opportunity

Should the above still result in a tie we will go to a secondary tie decision which will be Who scored the highest total in the Price criterion (Question AW5.2) they shall be considered the successful supplier and shall be awarded the opportunity?

## **Section 6 – Evaluation questionnaire**

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

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

**PLEASE NOTE THE QUESTIONS ARE NOT NUMBERED SEQUENTIALLY**

## Section 7 – General Information

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

#### DO:

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

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

### DO NOT

- 7.12 Do not cut and paste from a previous document and forget to change the previous details such as the previous buyer's name.
- 7.13 Do not attach 'glossy' brochures that have not been requested, they will not be read unless we have asked for them. Only send what has been requested and only send supplementary information if we have offered the opportunity so to do.
- 7.14 Do not share the Procurement documents, they are confidential and should not be shared with anyone without the Buyers written permission.
- 7.15 Do not seek to influence the procurement process by requesting meetings or contacting UK SBS or the Customer to discuss your Bid. If your Bid requires clarification the Buyer will contact you.
- 7.16 Do not contact any UK SBS staff or Customer staff without the Buyers written permission or we may reject your Bid.
- 7.17 Do not collude to fix or adjust the price or withdraw your Bid with another Party as we will reject your Bid.
- 7.18 Do not offer UK SBS or Customer staff any inducement or we will reject your Bid.
- 7.19 Do not seek changes to the Bid after responses have been submitted and the deadline for Bids to be submitted has passed.
- 7.20 Do not cross reference answers to external websites or other parts of your Bid, the cross references and website links will not be considered.
- 7.21 Do not exceed word counts, the additional words will not be considered.
- 7.22 Do not make your Bid conditional on acceptance of your own Terms of Contract, as your Bid will be rejected.

## Some additional guidance notes

- 7.23 All enquiries with respect to access to the e-sourcing tool and problems with functionality within the tool may be submitted to Crown Commercial Service (previously Government Procurement Service), Telephone 0345 010 3503.
- 7.24 Bidders will be specifically advised where attachments are permissible to support a question response within the e-sourcing tool. Where they are not permissible any attachments submitted will not be considered.
- 7.25 Question numbering is not sequential and all questions which require submission are included in the Section 6 Evaluation Questionnaire.
- 7.26 Any Contract offered may not guarantee any volume of work or any exclusivity of supply.
- 7.27 We do not guarantee to award any Contract as a result of this procurement
- 7.28 All documents issued or received in relation to this procurement shall be the property of UK SBS.
- 7.29 We can amend any part of the procurement documents at any time prior to the latest date / time Bids shall be submitted through Emptoris.
- 7.30 If you are a Consortium you must provide details of the Consortiums structure.
- 7.31 Bidders will be expected to comply with the Freedom of Information Act 2000 or your Bid will be rejected.
- 7.32 Bidders should note the Government's transparency agenda requires your Bid and any Contract entered into to be published on a designated, publicly searchable web site. By submitting a response to this ITQ Bidders are agreeing that their Bid and Contract may be made public
- 7.33 Your bid will be valid for 60 days or your Bid will be rejected.
- 7.34 Bidders may only amend the Contract terms if you can demonstrate there is a legal or statutory reason why you cannot accept them. If you request changes to the Contract and UK SBS fail to accept your legal or statutory reason is reasonably justified we may reject your Bid.
- 7.35 We will let you know the outcome of your Bid evaluation and where requested will provide a written debrief of the relative strengths and weaknesses of your Bid.
- 7.36 If you fail mandatory pass / fail criteria we will reject your Bid.
- 7.37 Bidders are required to use IE8, IE9, Chrome or Firefox in order to access the functionality of the Emptoris e-sourcing tool.
- 7.38 Bidders should note that if they are successful with their proposal UK SBS reserves the right to ask additional compliancy checks prior to the award of any Contract. In

the event of a Bidder failing to meet one of the compliancy checks UK SBS may decline to proceed with the award of the Contract to the successful Bidder.

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

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

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

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

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

## **USEFUL INFORMATION LINKS**

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