**Invitation to Tender for the Provision of**

**Payroll and Pension Services – Primary Care 24**



**Introduction**

Primary Care 24 (PC24) is seeking to procure a new payroll and pension administrations provider.

Bids are invited for both elements of the tender. PC24 is expecting the new provider to commence the service as of April 2020. The timetable for the bidding and implementation process is set out below.

**Timetable**

|  |  |
| --- | --- |
| **Key milestones** | **Timetable** |
| Advert and full invitation to tender issued | 6th February 2020 |
| Tender clarification deadline | 21st February 2020 |
| Tender close date | 28th February 2020 (12:00pm noon) |
| Evaluation Period (stage 1 & 2) | End Feb- Mid March 2020 |
| Tender recommendation | March 2020 |
| Contractors Awarded | End March – Early April 2020 |
| Contract Commencement | Early April 2020 |
| Mobilisation/ Training/ Parallel Run | April – 2020 |
| Final Implementation | April – 2020 |

**Background**

Primary Care 24 is a leading provider of Primary Care health services in Merseyside, Knowsley, Halton and St Helens. PC24 is a social enterprise, not-for-profit Company delivering exclusively NHS contracts. PC24 has a head count of approximately 240 staff across 31 sites including the core central services team.

The contracting body is Primary Care 24, company number 29958R, based at 6 Enterprise Way, Wavertree Technology Park, Liverpool, L13 1FB, UK. We are now looking to procure a new payroll provider that is more appropriate given the expansion of the organisation and anticipated further growth.

For context, the value of our payroll is currently circa £500,000 per month.

As a provider of NHS contracts and services, PC24 offers its staff access to NHS Pensions and the provider will be able to liaise with and understand the services offered by the NHS Pensions Agency.

Whilst we anticipate that the payroll function will migrate to the new payroll services provider in April 2020, we reserve the right to vary timings to reflect the organisation’s needs and circumstances. We will let this contract on the basis that other services and contracts can be added on at least the same terms.

PC24 currently uses Rota Master to record and report payroll information such as overtime and expenses. PC24 will require full interoperability between the successful provider and Rota Master.

**Contract Terms**

The contract term shall be for 3 years with a 12 month review period included, unless terminated or extended within the terms and conditions herewith. Bidders should price submissions accordingly. PC24 is under no obligation to appoint a contractor from this exercise and reserves the right not to appoint or to re-run the exercise. PC24 is not liable for any bidder costs prior to appointment, including compiling the submission.

The contract can be extended by a period of up to 2 more years.

Commencement date will be notified in PC24’s written acceptance of the successful tender

**Terms and Conditions of Contract***To be determined after this exercise is complete and before full invitation to tender is released.*

**Termination**

The contract may be terminated by either party by giving 6 months’ notice.

At the end of this contract the contractor will provide all pay data in a timely manner to support transition to a new supplier and continuity of the payroll.

If termination is instigated during the 3 year contractual period, then the payroll provider will liaise, where needed, with data they hold in regards to financial audit submissions, tax and or pension queries.

**Submission of tender**

Details around the submission of the tender will be confirmed once the full tender invitation is released at the end of January.

Tenders for the provision of payroll should specifically identify:

* A total annual cost proposal
* The variable and fixed costs for the proposal, including charge per pay slip/epay slip or employee, if applicable
* Any inflationary or other provisions for annual or periodic increases in fees
* Any assumptions in the costing proposal
* A clear indication of services provided as part of the fee
* Fees chargeable for additional services not included as part of the annual cost proposal
* The method for uploading, viewing and authorising monthly payroll, including a visual demonstration of the interface
* The reports available to the Trust
* A nominated Trust contact point and a description of the support service provided
* How you will seek to work with the Trust to provide the information requested and to meet our developing needs
* Corporate data to include company number, latest statutory accounts, and an indication of experience within the education sector
* References from two organisations, preferably those from a healthcare or similar sector
* The measures you have taken to ensure you comply with the General Data Protection Regulations that come into effect in May 2018. You should also identify any accreditation you have, including whether or not you have Cyber Essentials accreditation
* Confirmation that you will abide by the extant code of conduct of the Chartered Institute of Payroll and Pension Professionals, or equivalent professional body acceptable to the Trust. A brief description of business continuity plans that mitigate against an interrupted service should be included.

Tenderers should be aware that questions raised during the tender period, together with answers, will be circulated to all potential bidders who have expressed an interest in the procurement. Queries should be submitted via email to the Director of Finance as above.

**Technical Requirements**

The technical requirements for the services are detailed in Appendix 1.

**Confidentiality Undertaking**

*To be determined/will be completed after this exercise is complete and before full invitation to tender is released.*

**Pricing Schedule**

Example in Appendix 3 but will be finalised for Tender release at the end of January.

**Tender Queries**

NHS SBS will manage any queries from interested tenderers. Queries should be sent to [heather.lupton@nhs.net](mailto:heather.lupton@nhs.net) and titled ‘Payroll Services’.

**Award Criteria**

Will be finalised for Tender release at the end of January.

Clarification needed re confidentiality, right to accept/refuse tenders, FOI, intellectual property?, conflicts of interest, etc – Suppliers to provide input/feedback.

**General terms**

* Inducements – offering an inducement of any kind in relation to obtaining this or any other contract with the Trust will disqualify your tender from being considered and may constitute a criminal offence
* Data breaches – the contractor must inform the Trust of any data breach within 12 hours of occurrence, the data compromised and actions taken to limit the exposure. This should include details of staff affected where known
* Applicable law – the contract is governed by English Law
* It is not expected that there will be any TUPE requirements arising from this contract however it would be expected that the nodding Supplier takes their own advice in regards to TUPE.

**Appendix 1 – Technical Requirements**

|  | **Essential** | **Desirable** |
| --- | --- | --- |
| **Proven Accreditation** | | |
| BACs registered bureau | Y |  |
| HRMC Accredited Payroll Software | Y |  |
| **Experience and Qualifications** | | |
| Qualifications of key personnel e.g. The Chartered Institute of Payroll Professionals (or equivalent) | Y |  |
| **Pay Elements** | | |
| Processing of payments including bonus, season ticket loans, salary advances, salary sacrifice payments, pay protection and spot salaries | Y |  |
| **Personal Data Transfer/ Data Protection (GDPR)** | | |
| Compliance with the General Data Protection Regulation and ability for secure email / data transfer | Y |  |
| **Absence** | | |
| Payments to cover Occupational Sick Pay, Statutory Sick Pay, Statutory Maternity Pay, Paternity Pay, Jury Service – recovering salary payments | Y |  |
| Process unpaid leave as required | Y |  |
| **Monthly Processing** | | |
| ***New starters*** |  |  |
| New starters details including contact and bank details, auto-enrolment into NHS Pensions unless requested otherwise, tax rate, P45/P46 and student loan deductions | Y |  |
| ***Variations*** |  |  |
| Variations to terms (e.g. hours, salary and associated considerations) | Y |  |
| Variations including salary sacrifice schemes, fixed-term variations and future staff salary initiatives | Y |  |
| ***Terminations*** |  |  |
| Calculate final pay | Y |  |
| Pay or deduct outstanding leave and any other monies as appropriate | Y |  |
| Adjust final pay for salary sacrifice arrangements, informing Primary Care 24 Finance if amounts owing exceed final salary | Y |  |
| Issue and post P45 and final pay slip to leaver, including electronic copies to PC24 | Y |  |
| Maternity / shared parental leave / adoption leave | Y |  |
| Process calculations and send to staff | Y |  |
| Input manual deduction of salary sacrifice whilst on leave | Y |  |
| Reinstate salary sacrifice following leave | Y |  |
| ***Sickness Absence*** |  |  |
| Automatic application of occupational and statutory sick pay based on sickness submissions | Y |  |
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| Produce and issue half pay and no pay letters | Y |  |
| ***Pay corrections*** |  |  |
| Arrange the cancellation of individual payments by contacting PC24 Finance Department | Y |  |
| Overpayments recoup process via payroll system | Y |  |
| Underpayments advance via payroll system | Y |  |
| Calculate advances | Y |  |
| Correct and calculate overpayments | Y |  |
| Recover overpayments through the payroll system ensuring payroll is corrected for NI/tax/pension | Y |  |
| Provide over/under payment information to ensure payments are made to HMRC/NHS Pensions | Y |  |
| Submit Earlier Years Update for overpayments made in previous financial years | Y |  |
| **Processing Payments** | | |
| Calculations of employee payment due on the last day of service, including any redundancy arrangements | Y |  |
| Process temporary and permanent variations to pay | Y |  |
| Process emergency pay request | Y |  |
| Net pay, gross pay and deduction calculations | Y |  |
| Pension payments in accordance with auto enrolment and legislation | Y |  |
| HMRC payments (Tax and NI calculated) | Y |  |
| Ability to make third party payments (pension, HMRC, court orders, CSA etc.) | Y |  |
| Process redundancy payments | Y |  |
| Upload tax code and student loan notifications | Y |  |
| Undertake quick payments and run processes to ensure removed before payroll is run | Y |  |
| Run all periodic payroll processes needed prior to pay run ie. Real Time Information data | Y |  |
| Process all overtime and expenses | Y |  |
| **Payslips** | | |
| Online with full payslip history and printing options via app or staff portal. To include epayslip, eP60 and eP45 | Y |  |
| Transfer of old payslips from previous provider onto system so that employees can view full payslip history. |  |  |
| **Reporting** | | |
| Provide the following reports to Primary Care 24 Finance department to allow correct payments to be made, including:   * Direct Earning Attachment reports * Gross-to-net report * BACS report (accepted format type: Sage/SIF Pegasus Opera or BACS) to Primary Care 24 Finance no later than 5pm, 3 days before the pay date * Monthly summaries for HMRC, pensions * Pension report to pensionable and non-pensionable * earnings/hours | Y |  |
| Agreed suite of client monthly reports:   * Pension report (Month & YTD) detailing employees pensionable hours, pensionable earnings employee pension contributions £ and %, employer pension contributions £ and % * Gross to Net pay (Month and Year to Date) report including employer NI & pension contribution * NI Exception report detailing all staff who have not had NI deducted and the reason * P32 report (PAYE/NI/Student Loan) | Y |  |
| All reports available in Excel and PDF format | Y |  |
| Provide information to Primary Care 24 Internal Audit as required via the annual audit cycle | Y |  |
| **Year-end Processing** | | |
| Year-end processing for Real Time Information | Y |  |
| Year-end submissions Employer Payment Summary/Earlier Year Update | Y |  |
| Year-end calculation and submissions of P11Ds | Y |  |
| Year-end and P60 submission | Y |  |
| Collation of data for PAYE Settlement Agreements and submit to HMRC | Y |  |
| Pension re-banding report and changes | Y |  |
| **Pensions Processing** | | |
| Process pension funds requests | Y |  |
| Provide redundancy/mutually agreed redundancy scheme calculations | Y |  |
| Provide forms and guidance to employees |  | Y |
| Provide guidance regarding transfer of pensions |  | Y |
| Provide guidance regarding additional voluntary contributions |  | Y |
| Maintenance of Pension on-line |  | Y |
| **Contract Management** | | |
| Nominated point of contact to deal directly with Primary Care 24 HR and Finance enquiries | Y |  |
| Guidance and interpretation of statutory and pay-related regulations | Y |  |
| Governance framework to manage contract review meetings, process review meetings, provision of management information and KPIs | Y |  |
| Agree an annual payroll submission/production deadline and report timetable | Y |  |
| Provide project management of transition from incoming and outgoing payroll/pensions provider | Y |  |
| Dedicated payroll team to Primary Care 24 |  | Y |
| Sharing best practice |  | Y |
| **Administration** | | |
| ***Payroll*** |  |  |
| Provide and process TUPE information | Y |  |
| Audit trail – all system entries recorded |  |  |
| Document attached facility ie. Medical certificates |  | Y |
| ***Salary Sacrifice*** |  |  |
| Processing new applications against National Living Wage criteria | Y |  |
| Management Information | | |
| Core employee database able to provide headcount information broken down by job role/s | Y |  |
| Equal Pay Reports | Y |  |
| Gender Pay Gap Report | Y |  |
| Pension Auto-enrolment and re-enrolment reports | Y |  |
| Support fraud investigations | Y |  |
| Information for FOI requests | Y |  |
| Monthly reports for KPIs as agreed | Y |  |

**Appendix 2**

**Key Performance Indicators**

|  |  |  |  |
| --- | --- | --- | --- |
| **Ref No** | **KPI** | **Acceptable levels** | **Action** |
| 1 | Over or under payment arising from contractor error | 0.5% | Contractor will rectify any error of payment within 24 hours of notification if due to contractor error. |
| 2 | Error arising from failure to process change request (assuming received within agreed timeline) | To be agreed |  |
| 3 | Late payment to HMRC or pension provider | Nil error rate | Contractor will be liable for fines or interest incurred due to their late submission or error |
| 4 | Deadlines and timetables | To be agreed | The bidders should specify the timetables for data input and processing in their bid |
| 5 | Handling ad hoc employee issues | 24 hours for high priority issues  48 hours for lower priority issues | To resolve issue |
| 6 | Payslips available to staff on payday | Nil error rate |  |

Primary Care 24 reserves the right to terminate the contract without notice if any of the following failures occur due to contractor error. The contractor will be bound to support continuity of payroll and transition to a new provider:

* Failure to run an accurate payroll run on time, resulting in more than 10 members of staff being under or over paid by 10 per cent or more on the specified payroll date
* Three or more instances of contractor error resulting in overpayment or underpayment within any twelve month period
* Failure to provide information required by PC24 in order to make payment on time to HMRC or pension providers more than once in any twelve month period

Appendix 3 **COMMERCIAL PROPOSAL AND PRICING SCHEDULE**

1. **General**
   1. As part of the response, tenderers shall provide pricing information in accordance with Appendix 1 Technical Proposal.
   2. Responses to the Appendix 3 Commercial Proposal / Price Schedule will be evaluated independently to the Appendix 1 Technical Proposal. Please therefore ensure that your response to this Section is submitted as a separate file.
2. **Insurance**
   1. Please enclose documentary evidence from your current insurer(s) or registered insurance broker of the insurance policy or policies intended to be effected for the duration of the proposed Contract, namely:
      1. Public Liability – PC24 requires a limit of indemnity of not less than £5m for each and every incident and unlimited in the aggregate.
      2. Employers Liability – PC24 requires a limit of indemnity in accordance with the Employers Liability (Compulsory Insurance) Regulations 1998. The cover must provide indemnity to principle.
3. **Anti-Competitive Practices**
   1. In the last three years, has your company ever been charged with anti-competitive practices, price-fixing, bid-rigging, or bribery?
   2. If your answer to 3.1 is yes, please provide information regarding the remedies made.
4. **Price Schedule**
   1. Tenderers will be required to submit their service charge and other applicable costs in Table 1 (A+B) below. Prices on both tables should be quoted based on 230 employees.
   2. Prices quoted are to be in £Sterling strictly net and inclusive of **ALL** costs associated with the provision of the service, including training, communication, travel and subsistence etc. The prices quoted will be exclusive of any UK Value Added Tax (VAT).
   3. Discount allowed for prompt monthly and other period of settlement of accounts should be quoted in Table B.
   4. The prices tendered shall remain fixed for the duration of the contract.

**Table A - Set Up Costs:**

|  |  |  |
| --- | --- | --- |
| **Description** | **unit rate £**  **(rate per employee)\*\*** | **cost £** |
| Transfer of data |  |  |
| Training |  |  |
| Parallel run |  |  |
| **Sub-total ( set up cost for 100 employees): £** | | |

**Table B - Business As Usual costs:**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Description** | **unit rate£ (rate per employee)\*\*** | **Year 1 £** | **Year 2 £** | **Year 3 £** | **Year 4 £** | **Year 5 £** | **cost £** |
| Employee salary payroll |  |  |  |  |  |  |  |
| 3rd Party payments (HMRC / Pension) |  |  |  |  |  |  |  |
| P60/P11D / HMRC returns (year end) |  |  |  |  |  |  |  |
| Maintenance / Support/ help desk |  |  |  |  |  |  |  |
| Software licences |  |  |  |  |  |  |  |
| **Sub-total (monthly payroll for 100 employees) for five years: £** | | | | | | | |

\*\* please state ‘N/A’ if it is not applicable

++ tenderers should raise clarification to PC24 if items required in the pricing schedule are not listed in the above tables.

**Price (i) -Total cost for year 1, 2 and 3 (including set up costs):**

**£ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Price (ii) - Total cost for year 4 and 5: £\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Table C. Optional Items to be offered:**

|  |  |  |
| --- | --- | --- |
| Item | Details | Charge £ |
|  | (tenderer to add) |  |
|  |  |  |
|  |  |  |
|  |  |  |