



Financial Reporting Council

# **Invitation to Tender (ITT): Provision of Employee Screening Services**

**Reference: FRC2024 –029**

29 August 2024

## 1. Background

1.1 The Financial Reporting Council (FRC) is an independent regulator which serves the public interest by setting high standards of corporate governance, corporate reporting and audit and by holding to account those responsible for delivering them. The FRC also monitors and takes enforcement action where things go wrong to ensure the proper operation of the market and confidence in the UK economy and the UK's international reputation as an attractive place to do business.

1.2 The FRC is committed to:

- protecting and improving audit and reporting quality;
- making company reporting fit for the future;
- supporting the creation of the audit of the future;
- ensuring that the world-leading UK Corporate Governance and Stewardship Codes make the UK a great place to do business;
- supporting the FRC's transformation to the Audit, Reporting and Governance Authority (ARGA), a modern, forward-looking regulator.

1.3 The FRC's business model is structured around the following core areas.

<b>Regulatory Standards</b>	<b>Supervision</b>
<ul style="list-style-type: none"><li>• Lead the development of public and technical policy, informed by influential investor and stakeholder engagement.</li><li>• Set codes, standards and guidance that support high quality corporate reporting, corporate governance and stewardship, audit and actuarial work.</li><li>• Drive innovation in the public interest for our stakeholders.</li><li>• Influence international standard-setting and collaborate with other regulators.</li></ul>	<ul style="list-style-type: none"><li>• Deliver our statutory responsibilities for corporate reporting review and as the competent authority in respect of statutory auditors and the audit market.</li><li>• Monitor the application of corporate reporting and audit standards and hold to account those that fail to meet these standards.</li><li>• Promote improvements and innovation in corporate reporting and auditing work.</li><li>• Promote a more resilient audit market.</li></ul>
<b>Enforcement</b>	<b>Corporate Services</b>
<ul style="list-style-type: none"><li>• Drive the application of high standards in corporate reporting, auditing and actuarial work through proportionate and risk-focused enforcement action where it is in the public interest.</li><li>• Promote improvements and innovation in these areas by communicating clear and impactful messages through enforcement cases and publications, and through the setting and monitoring of effective non-financial sanctions.</li></ul>	<ul style="list-style-type: none"><li>• Support the regulatory Divisions by providing a robust and resilient framework for the delivery of FRC's wider objectives.</li><li>• Support the FRC's transformation to a modern, forward-looking regulator as a trusted partner and adviser to the business and through our partnership with Department for Business &amp; Trade (DBT).</li></ul>

1.4 The FRC's direct stakeholders include companies, institutional investors, auditors, actuaries, accountants and their respective professional bodies. Indirect stakeholders include consumers, retail shareholders, suppliers, employees, customers, communities, pensioners and savers, and financial institutions, all of whom have an interest in the health of companies and other

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organisations within our existing and future regulatory scope and in the success of the UK corporate sector as a whole.

- 1.5 The FRC is currently located in London with a second office recently opened in Birmingham. Further information about the FRC is available at [www.frc.org.uk](http://www.frc.org.uk).

## 2. Project requirements

### 2.1 Purpose and background

2.1.1 The FRC are tendering for a Responsible Organisation (RO) that can fulfil our requirements relating to employee screening and associated services. A Responsible Organisation (RO) is an organisation registered with the DBS to submit basic checks through a web service. <https://www.gov.uk/guidance/responsible-organisations>.

2.1.2 The Human Resources (HR) team within FRC undertakes a portfolio of people management related activities such as the

- Employee lifecycle from hiring to offboarding.
- Training;
- Benefits;
- performance management;
- succession planning;
- retention management and
- organisational design

The hiring process involved undertakes onboarding verification checks for candidates who are offered a contract of Employment with the FRC. As a minimum, the FRC has a legal obligation to check that the employee is legally entitled to work in the UK, and therefore the Right to Work checks are a key component of the checks undertaken. HR currently has an existing contract\* with a provider who support the FRC to complete online Disclosure & Barring Service (DBS) checks on an ad hoc basis. The current verification checks process are completed by a HR Assistant. The checks consist of the following checks: right to work checks, references check, proof of qualification certificates and DBS checks.

2.1.3 Our Employment screening aims are to:-

- meet our legal obligations
- seek to ensure the employee is trustworthy
- minimise risk to our organisation (such as fraud, security, inefficient ability and inappropriate behaviour).

2.1.4 Our Employment screening core aim is to ensure that individual's suitability to hold employment in the given job role, therefore whilst the employment screening mainly applies to comprises to 'new joiners', there are instances when they are undertaken for individuals who are moving between job roles within an organisation.

\* This proposed new contract will supersede the existing contract

## 2.2 Scope

2.2.1 We are reviewing our onboarding checks, process and procedures as part of a wider review and are keen to enhance our processes.

2.2.2 Our requirements are broadly divided into the four categories below.

Category	Description	Areas of services
1	Identity	<ul style="list-style-type: none"><li>• Identity check (right to work UK)</li><li>• Proof of address</li></ul>
2	Education	<ul style="list-style-type: none"><li>• Education, Employment and professional membership referencing</li></ul>
3	Employment	<ul style="list-style-type: none"><li>• Employment references</li></ul>
4	Personal (financial, criminal and social)	<ul style="list-style-type: none"><li>• Criminal record check DBS</li><li>• Adverse Financial Check</li><li>• Social media checks</li><li>• Directors search (conflict of interest) such as Non-Executive Directors (NEDs), advisory work</li></ul>

Some of the areas are new to the FRC as indicated below: -

New requirement	
Adverse Financial Check	As a financial regulator we would like to expand our current check to include Adverse Financial Check to provide an indicator in of the candidate financial management.
Social media check	We recognise the need for sensitivity in this area to minimise any potential for the perception of discrimination however, we would like to expand our current check to include social media check to gain valuable insight into values and attitudes (and behavioural activities that could impair the FRC's reputation).
Directors search (conflict of interest) such as NEDs, advisory work	These checks are important to ensure that there is no conflict of interest for advisors that are employed or engaged by the FRC. These checks review legal compliance to ensure that individuals comply with these requirements, have the experience and

	competence in their respective field and their reputation aligns with FRC.
Proof of address	We recognise the need to confirm that individual resides at that address.
Education, Employment and professional membership referencing (Partial new requirement)	We recognise the importance to verify and confirm a candidate's educational history and professional membership.

We are looking for a provider to have an online portal service whereby we can request the required checks and receive reports on completed onboarding checks. We have an SLA to receive a report/employment check outcome are within five (5) working days of from request.

### **Portal Features**

We want the provider/system to notify FRC's HR that an employment check has been completed by an email notification.

### **Queries and Outcomes of Reports**

When a returned report raises concerns or there is specific queries, we want there to be a clear process for query management and resolution supported by a flexible operating approach.

### **Operations and Customer Service**

The provider must have various protocols to support the FRC to fulfil its aims, this should include customer support email/phone and other mechanisms that may be beneficial.

### **Account Management**

The FRC want to work in partnership with the provider and therefore expect a dedicated (and consistent) Account Manager with a structured approach (for example, quarterly review meeting) to discuss any issues, overall service provided and upcoming changes etc.

### **Payment Process**

The FRC should be billed monthly for services requested, the billing process should be clear and transparent.

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## Volumes & Duration of Contract

We anticipate completing on average approximately 60-70 checks per year

The contract will be awarded for a three-Year Term from 1 November 2024 with an option to extend by a further twelve months.

### 2.3 Key deliverables (and anticipated benefits)

2.3.1 The successful supplier will:

- Be an approved Group A or Group B Responsible Organisation  
<https://www.gov.uk/guidance/responsible-organisations>
- Ideally, Be or have existing relationship with an identity service provider (IDSP) -  
<https://www.gov.uk/government/publications/list-of-certified-digital-identity-and-attribute-services>
- Has an established track record / transferrable experience of delivering Services of the nature required by the FRC?
  - Have excellent information security policy, protocol and procedures – with accreditations and compliance to Industry Standards such as BS7858 2019 Standard and ISO 27001
  - Operate good quality management protocols.
  - Operate efficient turnaround times.
  - Provide competitive pricing.

2.3.2 The FRC's positive benefits the FRC are seeking from the contractual arrangement includes:

- Speed and efficiency.
- Third party expertise, compliance and accuracy.
- Ability to adapt to regulatory change(s).
- Providing seamless processes and services which fundamentally ensures we can employ the candidate within the timescales required.

## 2.4 Liaison arrangements

2.4.1 The successful supplier(s) will liaise with the FRC's HR Assistant and HR Business Partner and other key members of HR that undertake recruitment related activity.

## 2.5 Cost

2.5.1 The tenderer should provide a fee for the services. You should provide a clear breakdown of costs. This should include any administration costs applicable.

## 2.6 Your tender response

2.6.1 Your tender response should be submitted using the Tender Response Document provided by the FRC, addressing how you meet and demonstrate the FRC's requirements

	Our Requirement	You should demonstrate
1	<b>Responsible Organisation (RO) &amp; IDSP status</b>  Pass / Fail	<ul style="list-style-type: none"><li>Your firm has carried out a conflict-of-interest check and that the check revealed no conflicts of interest exists</li><li>You should confirm your organisation is a RO registered with the Disclosure and Barring Service (DBS). The RO must comply and agree to DBS' terms and conditions, meet their processing standards and have a nominated accountable officer. The terms and conditions, processing standards and privacy policy for accountable officers can be found <a href="#">here</a>.</li><li>Your Organisation must provide evidence of your Privacy Policy (on your website or provide a document) with details of your DPO name and contact details.</li></ul> <p>You should confirm whether you use a Certified IDSP. <i>Please note: The FRC reserves the right decline (i.e not progress the proposals of suppliers) that fail this section.</i></p>
2	<b>Set up</b>  10%  FRC are seeking dedicated online portal live from the Autumn of 2024 with minimum set up phase(s)	<p>That your organisation can achieve the FRC requirement, please provide a set up timeline plan, the key activities, key processes/ steps including details of the key liaison required in the set up. Your timeline should aim for 1st October or whatever date in the Autumn of 2024 that you deem to be realistic based on this procurement timeline (i.e. proposed contract award).</p>

<p><b>3</b></p>	<p><b>Scope of services</b></p> <p>30%</p> <p>The employment checks services required are as per the Scope (see 2.2)</p>	<p>The transferable experience you have to meet our requirement.</p> <p>Your response should include</p> <p><b>Portal Features, inclusive of</b> example screenshots of the portal to illustrate how the process works in practice. Dashboard for KPI's.</p> <ul style="list-style-type: none"> <li>• <b><u>Queries and Outcomes of Reports inclusive of the process to report-</u></b> how are concerns raised and any RAG rating system (red, amber and green) for report concerns</li> <li>• <b><u>Operations and Customer Service-</u></b> inclusive of how you will provide support to the FRC</li> <li>• <b><u>Payment Process-</u></b> inclusive of how clear and transparent billing (for example, captured in the online portal facility) is achieved.</li> </ul>
<p><b>4</b></p>	<p><b>Systems, Security and Compliance</b></p> <p>15.00%</p> <p>FRC requires a Cloud-Based SaaS system with SSO (Single Sign On) Authenticator Credentials is our preferred method of authenticating credentials for Security and Access.</p> <p><i>* Note- Shortlisted Suppliers will be required to complete FRC's IT Questionnaire to support this question.</i></p>	<p><b><u>Systems</u></b></p> <ul style="list-style-type: none"> <li>• Your response should explain how secure your online portal is and how it meets the requirements of UK GDPR. This should include details of who has access to the portal from a client perspective and at the provider end.</li> </ul> <p><b><u>Security</u></b></p> <p>Your response should cover the following areas:</p> <p><b><u>Personal data processing</u></b></p> <ul style="list-style-type: none"> <li>• We want to ensure that personal data (including special categories of personal data and criminal conviction data) is processed in line with UK GDPR. Describe how you would provide the services in compliance with the UK GDPR (including by reference to any privacy statements).</li> <li>• When providing the services, do you consider that you will be acting as controller or processor, and why?</li> </ul>



- Which of the lawful bases for processing personal data would you rely on when providing the services? If you intend to rely on consent, please explain how you seek consent from candidates when initiating employment checks. If you intend to rely on consent, please identify any risks (for example, withdrawal of consent) and how these would be mitigated.?
- How long is the data stored on the online portal?
- How is data removed from the online portal?
- Please identify any risks associated with the processing of personal data when providing the services and how you propose to mitigate them.

### **Risk and Compliance**

How do you mitigate risks, verify security qualifications and compliance in line with UK GDPR?

**5**

**Service success**

15.00%

The FRC requires effective Account Management, inclusive of KPI's, SLA, Training and escalation arrangements.

You should demonstrate that your organisation is committed to service success and continuous improvement.

You should demonstrate the established protocols and new initiatives that your organisation will utilise under this proposed contract in the areas of

- Account Management (inclusive of KPI's, SLA), Training and escalation arrangements

### **Service Level Agreement (SLA's)**

Detailing how you have used and will use Key Performance Indicators and Service Level Agreement to provide additional benefit to the FRC.

**6**

**Cost**

30.00%

Your tender response must provide a clear breakdown of costs for each employment check and associated services. As a public body we're aware that certain checks may have a premium applied. We would expect any services to fall within our target budget range of £95-£250 per check and this includes any administration fees. FRC does not expect to be

charged additional fees. A tariff of fees should be included with your tender response.

## 2.7 Tender evaluation

2.7 Tender responses will be assessed on your ability to meet the FRC's Requirements using the following scoring approach.

Score	Definition
0	<b>Unacceptable</b>  Does not satisfy any part of the requirement. Does not comply with and/or insufficient information provided to demonstrate that the bidder has the ability, understanding, experience, skills, resource and quality measures required to provide the services, with little or no evidence to support the response.
25	<b>Poor</b>  Satisfies only minor aspects of the requirement. Or can carry out some or all of the required services but not to a sufficient standard. Strong concerns over relevant ability, understanding, experience, skills, resource, and quality measures required to provide the services.
50	<b>Fair</b>  Satisfies part of the requirement only, not the full requirement. Or can carry out all required services but not to a sufficient standard. Minor concerns over relevant ability, understanding, experience, skills, resource, and quality measures required to provide the services.
75	<b>Good</b>  Satisfies the requirement, with minor additional benefits. Supplier has the relevant ability, understanding, experience, skills, resource and quality measures required to provide the services, but the supplier has also provided relevant innovative methodology, or relevant added value services which will directly enhance the service required, giving minor additional benefit to FRC.
100	<b>Excellent</b>  Satisfies the requirement, with major additional benefits. Supplier has the relevant ability, understanding, experience, skills, resource and quality measures required to provide the services, but the supplier has also provided relevant

innovative methodology, or relevant added value services which will directly enhance the service required, giving major additional benefit to FRC.

## 2.8 Questions and clarifications

2.8.1 Tenderers may raise questions or seek clarification regarding any aspect of this further competition at any time prior to the tender clarification deadline (see timetable below at 2.9).

2.8.2 Tenderers may raise questions or seek clarification within the timeframe by sending questions to [procurement@frc.org.uk](mailto:procurement@frc.org.uk) in the following format.

Nature of query	Query / Clarification

2.8.3 The FRC will not enter into exclusive discussions regarding the requirements of this ITT with tenderers. To ensure that all Tenderers have equal access to information regarding this tender opportunity, FRC will publish all its responses to questions raised by Tenderers on an anonymous basis. Responses will be published in a questions and answers document to all Tenderers who have indicated that they wish to participate.

## 2.9 Tender process timeline

2.9.1 The following table sets out the timeline for this tender process.

Note these are provisional times and the FRC will notify if there are key changes.

DATE/TIME	ACTIVITY
29/08/2024	Publication of the Invitation to Tender
06/09/2024 by 5pm	Supplier's Deadline to submit clarification questions
11/09/2024 by 5pm	FRC's Deadline for publication of responses to clarification questions FRC will endeavour to meet this Deadline
17/09/2024 by 12.00 noon	Deadline for supplier submission of tender to the FRC.
By 27/09/2024	Shortlisted suppliers advised
Week Commencing 30/09/2024	Supplier tender clarification session (if required) <i>Provisionally:</i> <ul style="list-style-type: none"><li>Monday 30 September 2024 3pm-4pm</li><li>Tuesday 1 October 2024 11-12 noon</li></ul>

- Tuesday 1 October 2024 12-1pm

*The intention is for these sessions to be held virtually. Please reserve these times in case you are invited, it is unlikely that the FRC can offer alternatives.*

**Week commencing  
07/10/2024**

Tender Outcome

**On / around 1 November  
2024**

Contract starts

### 3. Conduct

- 3.1 The tenderer must not communicate to any person the tender price, even approximately, before the date of the contract award other than to obtain, in strict confidence, a price for insurance required to submit the tender.
- 3.2 The tenderer must not try to obtain any information about any other person's tender or proposed tender before the date of the contract award.
- 3.3 The tenderer must not make any arrangements with any other person about whether or not they should tender, or about their tender price.
- 3.4 The tenderer must not offer any incentive to any member of FRC's staff for doing or refraining from doing any act in relation to the tender.
- 3.5 If the tenderer engages in any of the activities set out in this paragraph or if FRC considers the tenderer's behaviour is in any way unethical FRC reserves the right to disqualify the tenderer from the procurement.
- 3.6 The tenderer represents and warrants that a conflicts of interest check has been carried out, and that check revealed no conflicts of interest.
- 3.7 Where a conflict of interest exists or arises or may exist or arise during the procurement process or following contract award the tenderer must inform the FRC and submit proposals to avoid such conflicts.
- 3.8 Tenderers must obtain for themselves at their own responsibility and expense all information necessary for the preparation of tenders. The FRC is not liable for any costs incurred by the tenderer as a result of the tendering procedure. Any work undertaken by the tenderer prior to the award of contract is a matter solely for the tenderer's own commercial judgement.

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## 4. Due diligence

- 4.1 While reasonable care has been taken in preparing the information in this ITT and any supporting documents, the information within the documents does not purport to be exhaustive nor has it been independently verified.
- 4.2 Neither FRC, nor its representatives, employees, agents or advisers:
- makes any representation or warranty, express or implied, as to the accuracy,
  - reasonableness or completeness of the ITT and supporting documents; or
  - accepts any responsibility for the adequacy, accuracy or completeness of the information contained in the ITT and supporting documents nor shall any of them be liable for any loss or damage, other than in respect of fraudulent misrepresentation, arising as a result of reliance on such information or any subsequent communication.
- 4.3 It is the tenderer's sole responsibility to undertake such investigations and take such advice, including professional advice, as it considers appropriate in order to make decisions regarding the content of its tenders and in order to verify any information provided to it during the procurement process and to query any ambiguity, whether actual or potential.
- 4.4 It is a requirement that the successful supplier (i) comply with all applicable laws and regulations including, without limitation, the Bribery Act 2010, the Equality Act 2010 and the Modern Slavery Act 2015; and (ii) in addition to any contractual requirement(s), inform the FRC immediately upon becoming aware of any event (including actual or threatened court proceedings) which may impact upon the reputation of the FRC, whether or not connected with the Supplies and/or Services.

## 5. Submitting a Tender

- 5.1 Tenderers must submit their tender response within the deadline to [procurement@frc.org.uk](mailto:procurement@frc.org.uk).
- 5.2 Where a Tender Response Document template is provided, bidders must align their tender response with that format.
- 5.3 A Tender must remain valid and capable of acceptance by the FRC for a period of 120 days following the Tender Submission Deadline. A Tender with a shorter validity period may be rejected.

## 6. Evaluation

- 6.1 The FRC will award the contract on the basis of the tender which best meets the evaluation criteria aligned to the requirements.

## 7. Acceptance of Tender & Notification of Award

- 7.1 The FRC reserves the right to amend, add to or withdraw all or any part of this ITT at any time during the procurement.

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- 7.2 FRC shall not be under any obligation to accept the lowest price tender or any tender and reserves the right to accept such portion or portions as it may decide, unless the tenderer includes a formal statement to the contrary in the tender. FRC also reserves the right to award more than one contract to fulfil the requirement.
- 7.3 The tenderer will be notified of the outcome of the tender submission at the earliest possible time.
- 7.4 **Not Applicable** Where the procurement process is subject to EU public procurement directives, a minimum standstill period of 10 calendar days will apply between communicating the award decision electronically to tenderers and awarding the contract.
- 7.5 Nothing in the documentation provided by FRC to the tenderer during this procurement or any communication between the tenderer and FRC or FRC's representatives, employees, agents or advisers shall be taken as constituting an offer to contract or a contract. No tender will be deemed to have been formally accepted until the successful tenderer has received a formal contract award letter from FRC.

## 8. Additional information

- 8.1 Tenderers must not undertake any publicity activity regarding the procurement within any section of the media.
- 8.2 The FRC reserves the right to take up references. You may be required to provide references in the Tender Response Document / upon request. References must be relevant to the FRC's Requirements and relate to work performed in the five years preceding the date of the submission of your tender.
- 8.3 The Terms and Conditions will apply to this proposed Agreement are contained in the Tender Response Document and should be accepted with no material changes.



Financial Reporting Council

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Reporting Council**

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