

**Request for Quotation (RFQ)**

**for**

**The Provision of Outsourced Payroll and HR Services**

1. **INTRODUCTION**
   1. The Single Source Procurement Regime came into force in December 2014, following Parliamentary approval of the regulations relating to the Defence Reform Act 2014 (‘the Act’). The SSRO regulates the UK government’s procurement of ‘single source’, or non-competitive, military goods, works and services. It is the independent statutory regulator of single source defence procurement, issuing statutory guidance, assessing compliance and determining how the regime applies to individual contracts.
   2. The SSRO’s principal statutory aims are to ensure that good value for money is obtained for the UK taxpayer in expenditure on qualifying defence contracts, and that single source suppliers are paid a fair and reasonable price under those contracts.
   3. Additional general information about the SSRO, can be found on the website: [**http://www.gov.uk/government/organisations/single-source-regulations-office**](http://www.gov.uk/government/organisations/single-source-regulations-office)
2. **THE OUTSOURCED SERVICE**
   1. The SSRO requires the provision of Outsourced Payroll and HR services for a 3year term, which includes software system(s) and technology to enable appropriate and secure web-based system access, that aligns with the SSRO’s ICT systems and controls. The SSRO has an affordability threshold of £20,000 over the life of this contract plus an implementation period of 3 months.
   2. The SSRO has one monthly payroll and its current resource is circa 50 employees. Although the SSRO could increase its resources over the period of the contract, the numbers are not expected to increase to more than 100. The SSRO processes circa 150 taxable expenses via its payroll per year, which is an average of three taxable expense claims per employee per year. Should employee numbers increase to 100, taxable expense claims would be in the region of 300 per annum.
   3. The services which the Contractor is required to provide are set out in the Specification (Annex 1) and are summarised in the table 1 below:

| **Required service** | **Service overview** |
| --- | --- |
| Payroll service | Delivery of a payroll service that is legally compliant with all relevant HMRC submissions completed. |
| HR service | Delivery of a fully managed integrated HR system that provides HR administration functions including self-service functionality. |

*Table 1: RFQ Service Requirements*

1. **CONTRACT TERMS**
   1. The SSRO has provided with the RFQ a set of proposed terms which it intends to enter into with the successful bidder. Before submitting a response, bidders must satisfy themselves as to their ability to agree to, and enter into, those terms. Bidders should not submit their own contract terms, which will be discounted.
2. **INSTRUCTIONS TO BIDDERS**

4.1 These Instructions set out the SSRO’s (Authority) requirements for the provision of the Outsourced service.

* 1. These instructions also explain the methodology for evaluating RFQ Responses against the evaluation criteria in section 5.
  2. If you are bidding for this contract in association with another supplier, you must explain the structure of your bid. If you do not do so, your bid may be disqualified.
  3. Bidders must indicate whether they are reliant on any third parties for any aspects of fulfilling the Specification, or if this is a consortia bid. In such cases you should provide full details of subcontractors and partners, the nature of the relationship and the intended balance of work to be completed, and copies of quality assurance arrangements operating with subcontractors or partners.
  4. If you are intending to bid as a consortium and to establish a new legal entity to perform the contract, please give full details of how that entity will be constituted, including its legal status, who will own it and in what proportions. The SSRO may require cross guarantees to be provided by all members of the consortium.
  5. Bidders and Contractors must not, without the prior consent of the SSRO, appoint sub-contractors or add consortia partners who have not been declared as part of the initial submission. The SSRO may refuse consent for any reason, provided it acting reasonably in doing so. This is to ensure a timely, good quality and cost-effective outcome.
  6. The SSRO may request that a Bidder provide further details about a sub-contractor. Failure to provide this information may lead to their bid being disqualified.
  7. The SSRO reserves the right to request a copy of the consortia legal arrangements or the form of contract to be entered between the Contractor and any proposed third party.
  8. By participating in this Request for Quotation, Bidders agree and accept that they are bound by all the terms of this RFQ document and the RFQ Contract terms.
  9. Neither the issue of this RFQ nor any of the information presented in it should be regarded as a commitment or representation on the part of the Authority to enter into a contractual arrangement.
  10. Bidders are required to submit their responses to the Technical Questions (Section 6.1) and Pricing (Section 6.2 – complete table 4), together the “**RFQ Response**” by the stated deadline at section 4.
  11. Bidders may submit any clarification questions relating to this RFQ by no later than the date and time specified in the timetable (see section 4 to this RFQ). The Authority will aim to respond to reasonable requests received before the deadline. Questions received after the deadline may not be answered.
  12. Please only submit such queries by email to the Authority at**:** [**tenders@ssro.gov.uk**](mailto:tenders@ssro.gov.uk)
  13. Bidders shall remain responsible for all costs and expenses, directly or indirectly incurred, in connection with preparing and submitting their RFQ Response.
  14. Bidders must return their RFQ Response by email to the Authority at: [**tenders@ssro.gov.uk**](mailto:tenders@ssro.gov.uk). The title of your email should be “**Outsourced Payroll and HR Service 2019: Tender Submission”**.
  15. Any additional documents which are specifically requested should be provided as further attachments.
  16. RFQ Responses must be returned by the date and time specified in the table 2 below (at 12noon on the 23rd May 2019).
  17. Any RFQ Responses received after this date and time will not be considered. Responses received prior to the deadline will be retained unopened until after the deadline for submission has lapsed.

1. **Proposed RFQ Timetable**
   1. The indicative timetable for the RFQ for the provision of Outsourced Payroll and HR services is highlighted in the table below. It is intended as a guide only and whilst the Authority does not intend to depart from the timetable, it reserves the right to do so and shall inform Bidders through Contracts Finder accordingly.

| **Key Actions** | **Indicative Procurement Timelines** |
| --- | --- |
| RFQ issued | **9 May 2019** |
| Bidder Questions and Authority response | **9 to 20 May 2019** |
| RFQ response returned | **12 noon, 23 May 2019** |
| RFQ Evaluation and Moderation | **28 to 30 May 2019** |
| Notification of outcome | **10 June 2019** |
| Contract Award and Transition/ Mobilisation Phase | **July – September 2019** |
| Service commencement date | **1 October 2019** |

***Table 2****: RFQ Outsourced Payroll and HR Services: Indicative Timelines*

1. **RFQ: SUBMISSION REQUIREMENTS**
   1. **Technical Submission**: 70% of overall score

The following table sets out the questions and scoring guide for the technical element of the RFQ. Bidders must ensure that their responses do not exceed the word count limits stated for each question (where relevant).

Where a Bidder exceeds the limit, the Authority will discount any text which exceeds the word limit.

| **Evaluation Criteria** | **Evaluation question** | **Scoring Methodology** | **Score** | **Weighting** |
| --- | --- | --- | --- | --- |
| Q1. Bidder understanding of the Solution | 1 (a) Bidders are required to provide an overview of their organisation structure (use diagrams if applicable) and highlight the proposed key staff(s) responsible (with CV’s) for delivery of the Payroll and HR Services.  (**Weighting 5% - Maximum 2000 words, excluding summary CV for staff and org designs)**  1 (b) Bidders should confirm how Authority service standards will be met as outlined in Annex 2, paragraph 1 – 3 to this RFQ and how they would rectify any missed targets.  (**Weighting 5% - Maximum 1000 words**) | The Bidder’s response provides **good evidence** of their staff and organisation’s ability to deliver Payroll and HR services to a level equivalent to that detailed in *Annex 1 & 2 to the* *Specification of services of the RFQ.* | 4 | 10% |
| The Bidder’s response provides **satisfactory evidence** of the ability of their staff and organisation to deliver Payroll and HR services to a level equivalent to that detailed in *Annex 1 & 2 to the* *Specification of services of the RFQ.* | 3 |
| The Bidder’s response provides **good evidence** of their staff and organisation’s ability of delivering Payroll and HR services to a level which is less than equivalent to that detailed in *Annex 1 & 2 to the* *Specification of services of the RFQ.* | 2 |
| The Bidder’s response provides **satisfactory evidence** of their staff and organisation’s ability of delivering Payroll and HR services to a level which is less than equivalent to that detailed in *Annex 1 & 2 to the* *Specification of services of the RFQ.* | 1 |
| The Bidder’s response provides **no or unsatisfactory evidence** of their staff and organisation’s ability of delivering Payroll and HR services to a level equivalent to that detailed in *Annex 1 & 2 to the* *Specification of services Schedule of the RFQ.* | 0 |
| Q2. Payroll Services | Bidders are required to provide a proposal on how they will deliver Payroll Services (i.e. payroll systems and advisory services) to ensure their solution continues to meet the requirements of Annex 1, paragraph 1.1 to 1.9 of the service specification.  (**Maximum 3000 words**) | The Bidder’s response provides **good evidence** of the organisation’s ability of delivering Payroll services to a level equivalent to that detailed in *Annex 1,* *paragraphs 1.1 – 1.9 of this RFQ.* | 4 | 20% |
| The Bidder’s response provides **satisfactory evidence** of the ability of the organisation to deliver Payroll services to a level equivalent to that detailed in *Annex 1,* *paragraphs 1.1 – 1.9 of this RFQ.* | 3 |
| The Bidder’s response provides **good evidence** of the organisation’s ability of delivering Payroll services to a level which is less than equivalent to that detailed in *Annex 1,* *paragraphs 1.1 – 1.9 of this RFQ.* | 2 |
| The Bidder’s response provides **satisfactory evidence** of the organisation’s ability of delivering Payroll services to a level which is less than equivalent to that detailed in *Annex 1,* *paragraphs 1.1 – 1.9 of this RFQ.* | 1 |
| The Bidder’s response provides **no or unsatisfactory evidence** of the organisation’s ability to deliver Payroll services of a level equivalent to that detailed in *Annex 1,* *paragraphs 1.1 – 1.9 of this RFQ.* | 0 |
| Q3. HR Services | Bidders are required to provide their proposal of how they will deliver HR Services (systems and advisory services) to ensure their solution continues to meet the requirements of Annex 1, paragraph 2.2 to 2.7 of the service specification and the additional requirements  (**Maximum 2500 words**) | The Bidder’s response provides **good evidence** of the organisation’s ability of delivering Payroll and HR services to a level equivalent to that detailed in *Annex 1,* *paragraphs 2.2 – 2.7 of this RFQ.* | 4 | 15% |
| The Bidder’s response provides **satisfactory evidence** of the organisation’s ability to deliver HR services to a level equivalent to that detailed in *Annex 1,* *paragraphs 2.2 – 2.7 of this RFQ.* | 3 |
| The Bidder’s response provides **good evidence** of the organisation’s ability to deliver HR services to a level which is less than equivalent to that detailed in *Annex 1,* *paragraphs 2.2 – 2.7 of this RFQ.* | 2 |
| The Bidder’s response provides **satisfactory evidence** of the organisation’s ability to deliver HR services to a level which is less than equivalent to that detailed in *Annex 1,* *paragraphs 2.2 – 2.7 of this RFQ.* | 1 |
| The Bidder’s response provides **no or unsatisfactory evidence** of the organisation ability to deliver HR services to a level equivalent to that detailed in *Annex 1,* *paragraphs 2.2 – 2.7 of this RFQ.* | 0 |
| Q4. IT Solution and Security | 4(a) Bidders are required to describe the technical architecture of their system for both (Payroll and HR services) to include connectivity, user identification and authentication to meet the service requirements.  **Weighting 5% - 1000 words limit excluding diagrams and policy documents**  4(b) Bidders are required to describe and confirm the nature of their application and technology environment, which must be compliant with the specification as outlined  **Weighting 5% - 1000 words limit excluding diagrams and policy documents**  4(c) Bidders are required to demonstrate (with certificates where necessary) their compliance with the security requirements/standards  **Weighting 5% - 500 words limit excluding diagrams and policy documents** | The Bidder’s response provides **good evidence** of a suitable system solution and IT Security for delivering Payroll and HR services of a level equivalent to that detailed in *Annex 1,* *paragraphs 3.2.1 (standards); 3.2.2 – 3.2.3 (certification); and 3.2.4 -3.2.5 (IT environment) of this RFQ.* | 4 | 15% |
| The Bidder’s response provides **satisfactory evidence** of a suitable system solution and IT Security for delivering Payroll and HR services of a level equivalent to that detailed in *Annex 1,* *paragraphs 3.2.1 (standards); 3.2.2 – 3.2.3 (certification); and 3.2.4 -3.2.5 (IT environment) of this RFQ.* | 3 |
| The Bidder’s response provides **good evidence** of a suitable system solution and IT Security for delivering Payroll and HR of a level which is less than equivalent to that detailed in *Annex 1,* *paragraphs 3.2.1 (standards); 3.2.2 – 3.2.3 (certification); and 3.2.4 -3.2.5 (IT environment) of this RFQ.* | 2 |
| The Bidder’s response provides **satisfactory evidence** of a suitable system solution and IT Security for delivering Payroll and HR of a level which is less than equivalent to that detailed in *Annex 1,* *paragraphs 3.2.1 (standards); 3.2.2 – 3.2.3 (certification); and 3.2.4 -3.2.5 (IT environment) of this RFQ.* | 1 |
| The Bidder’s response provides **no or unsatisfactory evidence** of a suitable system solution and IT Security for delivering Payroll and HR services of a level equivalent to that detailed in *Annex 1,* *paragraphs 3.2.1 (standards); 3.2.2 – 3.2.3 (certification); and 3.2.4 -3.2.5 (IT environment) of this RFQ.* | 0 |
| Q5. Mobilisation/ and Deployment | Bidders are required to demonstrate how they will provide Implementation/Mobilisation Services (Annex 1, paragraph 5.1 – 5.5 and 4.1 to 4.3) in order to achieve service commencement by 1 October 2019.  (**Maximum 2000 words – excluding charts or diagrams**) | The Bidder’s response provides **good evidence** of the organisation’s ability to deliver deployment services to a level equivalent to that detailed in *Annex 1, paragraph 5.1 – 5.5 and 4.1 to 4.3 of the RFQ.* | 4 | 10% |
| The Bidder’s response provides **satisfactory evidence** of the organisation’s ability to deliver deployment services of a level equivalent to that detailed in *Annex 1, paragraph 5.1 – 5.5 and 4.1 to 4.3 of the RFQ.* | 3 |
| The Bidder’s response provides **good evidence** of the organisation’s ability to deliver deployment services of a level which is less than equivalent to that detailed in *Annex 1, paragraph 5.1 – 5.5 and 4.1 to 4.3 of the RFQ.* | 2 |
| The Bidder’s response provides **satisfactory evidence** of the organisation’s ability to deliver deployment services of a level which is less than equivalent to that detailed in *Annex 1, paragraph 5.1 – 5.5 and 4.1 to 4.3 of the RFQ.* | 1 |
| The Bidder’s response provides **no or unsatisfactory evidence** of the organisation’s ability to deliver deployment services of a level equivalent to that detailed in *Annex 1, paragraph 5.1 – 5.5 and 4.1 to 4.3 of the RFQ.* | 0 |

*Table 3: Technical Questions, Evaluation Criteria, scores and weightings*

* 1. **Price Submission**: 30% of overall score

Bidders are required to complete the table 4 below.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Contract Term 3 years** | | | |
| **Pricing Items** | **Year 1** | **Year 2** | **Year 3** | **Total (£)** |
| SOFTWARE / PLATFORM |  |  |  |  |
| SUPPORT & MAINTENANCE (Service Charges to include Helpdesk, Support & Maintenance) |  |  |  |  |
| IMPLEMENTATION COSTS (INCLUDING TRAINING) |  |  |  |  |
| Other Costs\* |  |  |  |  |
| **Total Charge** |  |  |  |  |

*Table 4: Bidder Pricing*

\* Bidders should insert additional rows to itemise additional costings to demonstrate sustainability.

The Total Charge must be at or below the **affordability threshold of £20,000** **over the life of the 3-year agreement and the implementation period, excluding VAT.**

The price to be evaluated is the "**Total Charge**" (highlighted yellow), being the sum of the charges for Years 1 to 3 and the Implementation Period.

Bidders are required the highlight any assumptions in their pricing structure.

The rate quoted must be exclusive of VAT.

* 1. Evaluation criteria

Technical evaluation (70%)

Each bidder’s proposed service solution will be evaluated by reference to how well responses meets the relevant section of the Service Specification, in accordance with the scoring methodology in Table 3.

*Applied example*: If the Bidder scores 3 out of the maximum 4 points for a technical question, this would be calculated as follows:

3 divided by 4 points (equals 0.75) multiplied by the associated technical weighting to give a percentage score for each question. For example, in table 5 below, scores will be *11.25/15* and *7.5/10*.



*Table 5: Model worked Technical assessment*

The **Total Technical Score** will be the sum of the Total scores assigned to each quality criteria.

* 1. Price evaluation (30%)

The price evaluation will consist of an assessment of the bidder’s Total Charge (excluding VAT) for the three-year service contract, including the implementation period (see Table 4) – area marked in yellow.

The price scoring will use an approach which awards the lowest price the maximum weighted score, with all other price scores being allocated a score relative to the lowest price.

The **Total Price Score** will be calculated using the formula below:

) \* Price weighting

* 1. Overall Score/ Award Criteria

**A Bidder’s Overall Score** shall be the sum of the **Total Technical Score** and **Total Price Score** as per the evaluation model above.

The bidder with the highest **Bidder** **Overall Score** shall be deemed the preferred bidder. Should two or more Bids receive the same bidder overall score, the SSRO shall choose the Bid with the lowest price.

**ANNEX 1: Specification – Outsourced Payroll and HR**

**Specification of service**

This Specification of service covers the requirements to deliver the Outsourced Payroll and HR Services.

**1. Payroll Services:** deliverables

Delivery of a payroll service to the SSRO must be legally compliant, with all relevant HMRC and pension provider submissions completed to a high standard, as required. Provision of payroll services, is expected to be by qualified payroll staff, and must include:

* processing the standard payroll;
* provision of BACS services;
* year-end processing;
* pensions administration services;
* advice and support on new on new or updated statutory payroll guidance from HMRC, Cabinet Office and any other relevant bodies; and
* general data management and administration.

**The Payroll Service includes, but is not limited to the following key deliverables;**

1.1 Standard Payroll Processing (Monthly):

* the SSRO will provide data input in the agreed standard format and schedule.
* input data from the SSRO and forward to its payroll provider via a secure method, ensuring that they:
  + Enter the agreed input into the payroll system;
  + Check for tax code and student loan notification changes;
  + Run the payroll calculation process;
  + Produce checking reports;
  + Reconcile checking reports against original input received; and
  + Produce first run set of payroll reports and send to appointed payroll contact.
* process and send the payroll reports to the SSRO via a secure method;
* the SSRO will check the payroll reports and notify the service provider of any errors/changes (additional changes requested after the second run reports may become chargeable as an additional payroll run if these were not notified previously);
* process any revisions resulting from errors/changes/modifications identified;
* the SSRO will approve the payroll following agreement of the payroll reports;
* produce the final set of standard reports to be produced, following SSRO approval, and sent to appointed payroll contact; and
* ensure that a payroll slip is produced for each SSRO employee as per the agreed schedule.

1.2 Real Time Payroll Information:

* create Periodic Full Payment Summary (FPS) file;
* provide advice and guidance on any data errors contained within the periodic FPS file;
* submit the FPS to HMRC as required by legislation and in line with the schedule;
* create the periodic Employer Payment Summary (EPS) file;
* provide advice and guidance on any data errors contained within the periodic EPS file;
* complete required actions to address any data errors contained within the periodic EPS file;
* submit the EPS to HMRC as per the current legislation in line with the schedule; and
* the SSRO will complete required actions to address any data errors contained within the periodic FPS file.

1.3 BACS Services:

* run the BACS file and report process;
* run BACS process log for checking and act if required;
* produce a BACS authorisation form detailing all payments to employees and relevant third parties and send to appointed contact for approval;
* transmit the BACS file;
* retrieve and distribute BACS input reports;
* the SSRO will confirm the accuracy of the figures on the BACS authorisation form and provide authorisation to make the payments in line with the schedule. Late authorisation of payments may result in late payment of employees;
* the SSRO will maintain appropriate limits with BACS to ensure control over payments;
* the SSRO will process any non-BACS payments for employees or third parties, and payment to employees or third parties that are not being made;
* the SSRO will ensure enough funds are available in the source bank account to fund the BACS payment. This should be done prior to the payment date in line with the schedule;
* the SSRO will recall both individual and complete BACS transmissions Including liaison with BACS, the banks and employees;
* the SSRO will ensure the bank holding the source account has given the appropriate permissions to transmit the BACS file on behalf of the SSRO where required; and
* the SSRO will inform the service provider of any changes to the source bank account or BACS user number.

1.4 Post Processing:

* produce and distribute a set of payroll cost reports to the appointed contact in the standard format to time; and
* clear down the payroll.

1.5 Year End Document Processing:

* P60s to all SSRO employees included in the payroll reports; and
* P11d's to SSRO employees and to HMRC.

1.6 Pension Administration Services:

* effect pension changes within the payroll system during the standard payroll processing;
* run pensions assessment process and supply relevant reports.
* produce any standard output files required and supply to SSRO pensions providers in the agreed format;
* complete the auto enrolment process and make payments in line with this agreement;
* refer any enquiries from third parties to the SSRO's nominated contact;
* the SSRO will provide an 'Opt-out' facility for employees in line with relevant pension legislation;
* the SSRO will notify payroll provider of any pension changes to be made including opt ins or opt outs in accordance with the schedule (this should be included in the normal payroll input);
* the SSRO will review the assessment reports and notify payroll provider of any amendments in line with the schedule;
* the SSRO will reconcile payments made via BACS to source bank account; and
* the SSRO will manage specific queries regarding the pension administration and the relevant processes, including opting out.

1.7 Advice and support on new on new or updated statutory payroll guidance from HMRC, Cabinet Office and any other relevant bodies. This will include maternity, tax codes, individual tax status etc. as well as general payroll.

1.8 General Data Management:

* Input monthly data in the agreed standard format and within the agreed timings;
* provide a secure method of transferring all payroll and taxable expenses data and reports, between the SSRO and the Contractor;
* retained (in accordance with statutory requirements) all payroll data, which shall be made available upon request by the SSRO; and
* retain SSRO payroll data in line with SSRO requirements.

1.9 General Task Administration:

* act as an SSRO’s agent with HMRC;
* facilitate payments to SSRO’s employees on **25th of every month** (or the last working day before 25th of each month);
* calculate statutory payments and adjustments;
* where applicable, complete SMP1 or SSP1 forms and forward to the appointed contact for delivery to the employee(s);
* handle any non-statutory deductions in line with the relevant standard PAY or DEDUCTION elements and make any subsequent payments to relevant third parties, where agreed;
* manage all statutory deductions in accordance with the relevant legislation and requirements and make any subsequent payments to relevant third parties, where agreed;
* issue P45's and P60’s to employees and HMRC;
* the SSRO will calculate occupational payments and adjustments (such as contractual sick pay, bonus or commission payments etc.);
* the SSRO will provide information of bulk changes in a timely fashion; and
* the SSRO will complete any correspondence with employees in line with any of the above.

Additional Deliverable:

* Prepare and issue P11d’s to employees and HMRC.

1. **Human Resources (HR) Service:** deliverables

2.1 Provision of HR services must maintain a fully managed integrated service which provides for HR administration functions including self-service functionality.

The SSRO has three different level of users

* Administrator who will have full system access, and be able to create and run reports;
* Line Manager who will be able to review limited information on their direct reports (holiday, salary information, bonuses, training records and sickness) and be able to approve self-service requests (ideally the system will have the facility to delegate this responsibility on a temporary basis); and
* Self-service users who will be able to see and update their own personal, salary, sickness, holiday and training details via self-service access.

**HR Service includes, but is not limited to the following key deliverables;**

2.2 The HR Service will provide the following through an electronic, web-based system:

Key deliverables:

* Employees Personal Information;
* Employment Details;
* Absence Recording;
* HR Management Information Reporting;
* Employee Self Service;
* Training; and
* Administration of New Starters and Leavers.

Additional Deliverable:

* Organisational Structure

2.3 The H R System must hold Employee Personal Information for each SSRO employee, including:

* Personal details (full name, preferred name, gender and date of birth);
* Address details;
* Contact details;
* Emergency contacts and next of kin;
* Driving licenses;
* Private vehicles;
* Passports; and
* Sensitive information such as equality data.

2.4 The HR System must hold Employment Details for each SSRO employee, including:

* Salary;
* Benefits (such as pensions, bike loans and season tickets);
* Hours and basis;
* Terms and conditions;
* Employment history;
* Working patterns;
* Reporting hierarchy;
* Reckonable service; and
* Leaver information.

Additional Deliverable:

* Person photograph.

2.5 The HR System must record holiday and sickness absence with the personal holiday scheme linked to the Employee Self-Service system (Absence Recording).

2.6 The HR System must deliver standardised reporting (HR Management Information Reporting) and allow for the SSRO to run reports with its own defined parameters. These reports should be able to be downloaded unto CSV format or excel as follows:

* People reports;
* Absence reports;
* Structure reports;
* Payroll reports; and
* Training.

Additional Deliverable:

* Adaptable search feature with reporting facility.

2.7 The HR System must provide cloud-based employee self-service (Employee Self-Service). Self-service to include:

* Updating personal details;
* Booking holidays and sickness with management approval work flows; and
* Recording and training events.

Additional Deliverables:

* Booking training events
* The HR System to reflect the SSRO's organisational structure. The organisational structure may be updated periodically by the SSRO.

**3. IT and Security**

3.1 In carrying out its corporate functions, the SSRO processes information of the following kinds:

* **Official information**, which may be marked **OFFICIAL SENSITIVE** with the Government Security Classifications.
* **Confidential or commercially sensitive information**, which the SSRO would not disclose under the Freedom of Information Act 2000 by reason of the application of one of the exemptions in that Act.
* **Personal data or special category data** within the meaning of the General Data Protection Regulation and the Data Protection Act 2018 which must be processed in accordance with applicable data protection law.
  1. The SSRO takes the security of the information it holds seriously, and a Contractor (as defined) shall comply with the Security Measures and Security Requirements contained in the RFQ Contract, including those related to OFFICIAL-SENSITIVE information including the following:
     1. The SSRO IT environment, policies and procedures are based on the following policies and procedures and the system(s) provided by the Contractor for SSRO staff use must operate in this environment:
* HMG Security Policy Framework (SPF).
* NCSC Published Guidance, Cloud Security Principles and Security Design Principles.
* ISO/IEC 27001:2013 – Information technology – Security techniques – Information security management systems – Requirements.
* ISO/IEC 22301:2012 – Societal Security – Business Continuity Management Systems – Requirements.
* Cyber Essentials Scheme: Requirement for Technical Protection from Cyber Attacks.
  + 1. It is desirable that the Contractor has, or obtains
* ISO27001:2013 certification;
* ISO22301:2012 Business Continuity Management certification; and
* ISO20000 IT Service Management certifications, or
* be working towards such certification or provide an equivalence with similar protocols
  + 1. The SSRO maintains Cyber Essentials Plus certification and the Contractor shall be Cyber Essentials PLUS certified or commit to obtaining such certification within an agreed timescale or provide an equivalence with similar security protocols.
    2. The SSRO IT environment uses the Microsoft platform including Windows 10, Office 365, Intune and Enterprise Mobility and Security. This is complemented by infrastructure services including Azure virtualisation, Cisco Switches and ASA firewalls, a VPN solution provided by a third party (e2e assure; see <https://www.e2e-assure.com/SCC>) which uses Cisco AnyConnect VPN client software, and wireless network using Aerohive access points. Staff work regularly and frequently away from the office and secure remote working is provided through a Cloud Connect service/VPN provided by e2e-assure Ltd. The Contractor must ensure that full system functionality is available to different SSRO user groups when working connected to the office network and when working remotely over VPN.
    3. A single sign on solution is desirable, and, in case this cannot be provided by the Contractor in the context of the SSRO environment specified above, multi factor authentication for all users must be implemented, managed and maintained by the Contractor.

**4. Training and Ongoing Support**

4.1 The Contractor shall train up to 5 staff from the SSRO on the functionalities and use of their technology/software platform, no later than the Service Commencement Date.

4.2 The Contractor shall provide ongoing training as reasonably required to ensure a smooth running of the service and to foster greater understanding and ensure service delivery.

4.3 The Contractor shall provide facilities and or use remote access solutions as required, Training Materials and suitable qualified resources for the training.

**5. Implementation/ Mobilisation**

* 1. The Implementation Period shall commence upon contract award in July 2019 and end at the Service Commencement Date of 1 October 2019.
  2. The Contractor must manage the effective migration of all current year and historical data (2 year’s data) from the SSRO’s existing contractor. This must be supported by an audit trail that will be subject to SSRO and audit review
  3. The Contractor shall work with the incumbent contractor and the SSRO during the Implementation Period to ensure that, at the Service Commence Date, the Implementation is completed, and the Services are provided fully in accordance with the Specification and the Contractor’s Response.
  4. The Contractor shall deploy (including installation, where applicable) the technology solution in preparation for data transfer in accordance with IT Security conditions.
  5. Implementation is deemed to have been completed/ accepted (and payments in respect of the Services carried out during the Implementation Period, where relevant, will fall due) when:
* The functionalities are tested and operable;
* The system meets with SSRO security requirements;
* Training of SSRO Staff is completed; and
* SSRO has access to the system from its designated offices as well as owner VPN (outside the office).
  1. There may be a need for parallel running of the service, during the implementation period and to ensure data accuracy.

**Annex 2 – Performance Standards and Key Performance Indicators**

1. **System maintenance** 
   1. The Contractor will ensure that the System/software(s) is maintained in line with the manufacturer’s instructions, which must include any quality assurance checks and service programme maintenance schedules as agreed and set out in the contract.
   2. Planned servicing will take place at a frequency pre-agreed by the Parties to this contract, or more frequently if deemed necessary by the Contractor, at no additional cost to SSRO.
2. **Uptime guarantee**
   1. The Contractor system(s) will achieve 98% availability rate for full use by the SSRO at its site and remotely (“Uptime”)
   2. Uptime shall be measured on a 12 hours day (9am to 9pm, Monday to Friday, except weekends and UK Bank Holidays), 5 days a week basis over fixed three-month periods beginning on the Service Commencement Date (herein a “Quarterly Period”) – see table below.

|  |  |
| --- | --- |
| **Service Support and Uptime** | **KPI Target Requirement** |
| Uptime Guarantee | 98% |
| First time fix | 98% |
| Service Response Time | **Priority** within 3 working hours  **Non-Priority** within 6 working hours |
| Telephone Support | Within 30 minutes of original call |

* 1. Contractor system will be considered unavailable if:
  + unable to properly perform its core functions because of a network malfunction;
  + system/software is not producing correct results; and/or
  + the software provided by the Contractor which supports the service are not fully operational to a level which would support full proper use by the SSRO for any reason, providing it is the fault of the Contractor.

**3 Performance Indicators and Reports**

3.1 The table below sets out the Key Performance Indicators which the Contactor will measure to support the performance of the Outsourced Finance Support Services.

**Key Performance Indicators**

|  |  |
| --- | --- |
| **Payroll Service** | **Requirement** |
| Produce payroll on agreed schedule  (in time for payment to employees on 25th of each month) | 98% |
| Distribution of payroll output as per agreed schedule (e.g. journal to general ledger) | 98% |
| Accuracy of payroll processing content  (payroll final within 2 payroll runs) | 98% |
| Electronic pay slips and P60’s on HR system | 25th of each month |
| Reporting to SSRO pension schemes | Last working day each month |
| Achieve BACS deadlines to schedule | 100% |
| Payroll queries (current tax year) | 80% within 1 day  15% within 2 days  5% within 10 days |
| Payroll queries (previous tax years) | 80% within 10 days  20% within 20 days |
| Calculation of net pay to enable manual payments | Up to 10 within 2 working days           11 to 20 within 3 working days  20+ agreed on request |
| HMRC queries | 100% 1 within 10 days |
| Other queries / questionnaires | 100% within 10 days |
| **Service Support and Uptime** | **Requirement** |
| Uptime Guarantee | 98% |
| First time fix | 98% |
| Service Response/Resolution Time | Priority within 3 working hours  Non-Priority within 6 working hours |
| Telephone Support | Within 30 minutes of original call |

|  |  |
| --- | --- |
| **HR Service** | **Requirement** |
| Monthly reporting, to be agreed, but expected to be:   * No of employees/ structure * Absence * Payroll * Holiday booked and outstanding * Training booked | By 2nd working day each month |
| Communication of planned downtime | 5 working days |
| Initial communication of any other downtime | Within 2 hours |
| **Service Support and Uptime** | **Requirement** |
| Uptime Guarantee | 98% |
| First time fix | 98% |
| Service Response/Resolution Time | Priority within 3 working hours  Non-Priority within 6 working hours |
| Telephone Support | Within 30 minutes of original call |

3.2 The Contractor shall monitor its performance against each Performance Indicator and send the Authority a report on a quarterly basis (Service Period) detailing the level of performance achieved in accordance with Performance monitoring report.

3.3 The Performance Monitoring Report shall be in such format as agreed between the Parties from time to time and contain, as a minimum, the following information:

* Information in respect of the Service Period just ended for each Key Performance Indicator;
* the actual performance achieved over the Service Period, and that achieved over the previous 3 Service Periods;
* a summary of all Performance Failures that occurred during the Service Period;
* which Performance Failures remain outstanding and progress in resolving them;
* for any KPI Failures occurring during the Service Period, the cause of the relevant KPI Failure and the action being taken to reduce the likelihood of recurrence;
* the status of any outstanding Rectification Plan processes, including:
* relevant particulars of any aspects of the Contractor’s performance which fail to meet the requirements of this Agreement;
* such other details as the SSRO may reasonably require from time to time.