

Invitation to Tender (ITT):

Financial Planning & Forecasting System

Reference	FRC2022-001 Financial Planning & Forecasting System
Date	February 2022

1. Background

The Financial Reporting Council sets the UK accounting, audit and actuarial standards and administers the Corporate Governance and Stewardship Codes. As the competent authority for audit in the UK the FRC sets auditing and ethical standards and monitors and enforces audit quality. The FRC works in the public interest. Our work is aimed at investors and others who rely on company reports, audit, and high-quality risk management.

The Financial Reporting Council is committed to

- supporting the creation of a new regulator, the Audit, Reporting and Governance Authority (ARGA), which will be a strong and fit for-purpose regulator and provide increased confidence in the UK market.
- 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, helping support Covid-19 recovery and UK prosperity.

We also monitor and take action to promote the quality of corporate reporting and operate independent enforcement arrangements for accountants and actuaries. Further information about our role can be found at www.frc.org.uk.

2. Project / Requirements

2.1 Purpose and Scope

The FRC requires a Planning and Forecasting solution with reporting, consolidation, and analysis capabilities. Financial forecasting allows management teams to anticipate results based on previous financial data and expected changes. It will enable the FRC to optimize the forecasting activity to deliver enhanced benefits to the FRC.

The FRC's aim is to procure a cloud-based SaaS application for comprehensive budgeting, forecasting, analysis, and financial reporting. The ideal solution must be suitable for public sector entity.

In addition, the financial forecasting system will allow to automate forecasting processes, forecast the impact of multiple scenarios, and quickly identify where, when, and why actuals differ from the plan, so that the FRC's Finance Team can take appropriate action.

This software will need to be fit for purpose and meet the below requirements –

Area	Requirement	Description
Budget / Forecasting	System setting	System must enable Budget Holders / Finance to update budgets / forecasts within the system automatically consolidating to parent level in the hierarchy and <u>tracking changes to budget effectively</u> . It should hold numerous versions (up to 20 budget /forecasts versions per year)
Budget / Forecasting	Budget transfer	System must support the capability to perform budget virements to enable the administrative transfer of funds from one budget to another.
Budget / Forecasting	Salary forecast	System must have the capability of being able to forecast on an individual basis. The FRC headcount is growing and expected to reach approximately 600 by 2025. <u>This is an essential requirement.</u>
Budget / Forecasting	What-if scenarios	Must be able to perform What-if scenarios easily
Company transformation	ARGA creation	The FRC is growing from a current headcount of c380 to a headcount of c600 in the next few years as it transforms into ARGA. The system must be able to accommodate for changes associated with the growth and creation of the new company i.e., change of company logo etc
Data visualisation	Dashboards	Dashboards for a quick overview of important data in a visual format
Excel	Excel Ad-in	Excel add-in functionality is a preference.
Integration	General Ledger	System must be able to integrate with our General Ledger - One Advanced (Cloud Financials) to include actual spend.
IT	SaaS products	SaaS products must have at the least these 4 criteria: <ul style="list-style-type: none"> - Are there adequate backup processes. - GDPR compliant with data located in the EU (or now probably and preferably in the UK post Brexit). - IP restriction – can we restrict access to the software by its IP address so it's only available through our VPN? If not, does it have multi-factor authentication? - Disaster recovery processes also need to be adequate. These need to be part of the SLA which is usually above 99.0% which also includes downtime for maintenance.
IT	IT	We would also like to see details of regular security testing (At least annually or after major changes) Is the data encrypted in transit and at rest? Who would have access to the data and how is this monitored? What support staff would have access and where are they based?
Reporting	Reporting	System must provide flexible reporting with industry standard functionality. This should include but is not limited to: <ul style="list-style-type: none"> - Reporting on different levels of cost (i.e. plan, actual, forecast, flexed budget, etc.) - Budget reporting (i.e., monthly, quarterly, variance, etc.) - Other standard reporting (i.e., profit and loss, headcount reporting etc.) - Enable Budget Holders as well as Finance users to carry

		<p>out real-time reporting between the month end reports.</p> <ul style="list-style-type: none"> - Expenses detail reporting (preferably <u>transactional level data</u>) - Finance Users must be able to build and modify reports as and when required
Reporting	Automated Reporting	Preference will be given to a system that can deliver automated monthly reports
Reporting	Prior year data	The system must have the ability to incorporate at least one year of prior year data as a comparison.
Reporting	Project	System must include the ability to report by project.
Recent implementation experience	Customer reference	Upon request should be able to provide recent example of successful implementation – preferably a company of a similar size to what FRC will become in the next few years i.e., headcount of around 600
Training material	On demand videos / user guides	Should be readily available for end users
Usability	Control of system functions / Access	System security settings should limit access of functions based on user's groups across the systems to ensure complete control and segregation of duties.
Users	Number of users	<p>Estimated 12 users</p> <ul style="list-style-type: none"> • Finance / IT (8 users) • Rest of business (4 users)

2.2 Deliverables, milestones, and high-level timeline

The Deliverables

The supplier will be required to undertake the following activities:

- The Supplier shall plan for all stages of the system lifecycle from Strategy and Design, through Transition and Operation to Continuous Improvement.
- The Supplier shall design and implement the system such that it is intuitive to use and requires the user to have the minimum possible level of skill and experience with using technology, as confirmed through User Acceptance Testing.
- The Supplier shall design and implement the system to be both usable and user-friendly to the widest possible audience.
- The Supplier must agree a Test Strategy, Approach and Plan for testing, assuring, and signing off its required services prior to the outset of any testing.
- The Supplier shall provide written documentation to support the operational use of the system in the form of user guidance, reference material and work instructions. The Supplier shall maintain such documentation, updating as required any subsequent system change.
- The Supplier shall work with the FRC to develop and implement a training programme that will deliver the requisite number of trained users, as agreed with the FRC, required to deliver services to customers in accordance with the agreed release plan. The Supplier shall work with the FRC to complete a training needs analysis.

The timeline below is indicative; proposals should explain what is possible while maintaining high quality standards.

Date	Deliverable / milestone
18/03/2022	Supplier chosen and notified
04/04/2022	Project kick-off meeting
11/04/2022	Final Project plan / Implementation Strategy
11/05/2022	Testing
13/06/2022	User Acceptance Training
11/07/2022	Roll Out
11/08/2022	System Live

2.3 Liaison arrangements

The FRC team should be regularly updated on project progress and consulted on key decisions. There must be clear roles and responsibility alongside points of escalation.

3.0 Your tender response

The tender documentation enclosed is as follows: -

Schedule A: Order from and Terms & Conditions	- to be submitted, reviewed, and agreed (if awarded)
Schedule B: Form of Tender	- for information, completion, signature, and return
Schedule C: Supplier Due Diligence Questionnaire	-for information, completion, signature, and return

Note: - All documentation must be completed in in the specified format. The FRC do not intend to accept any amendments to the contract terms & conditions.

3.1 The Supplier should propose Terms & Conditions that will govern the proposed Contract. The FRC will review and where necessary amend or propose additional Special Conditions. Agreed Terms & Conditions will form part of Schedule A.

3.2 The tenderer's attention is drawn to the Form of Tender, enclosed as Schedule B, on which the required format for the tender proposal is detailed.

3.3 To receive the copies of the Tender queries & answers you must submit an **expression of interest** by sending an email to procurement@frc.org.uk by no later than **Wednesday 16 February 2022**.

3.4 The tender submission should be sent via email to procurement@frc.org.uk no later than **04:00 pm Monday, 28 February 2022**.

4.0 Tender Timetable

DATE/TIME	ACTIVITY
09/02/2022	Publication of the Invitation to Tender
16/02/2022	Expression of interest sent to procurement@frc.org.uk
16/02/2022	Deadline for Tender Queries
18/02/2022	FRC response to Tender Queries (Q&A)
28/02/2022 by 4:00 pm	Deadline for supplier submission of tender to the FRC.
02/03/2022	Supplier shortlist
w/c 07/03/2022	Supplier demo's – please be mindful if shortlist you will be expected to conduct the system demonstration
14/03/2022	System demos completed
18/03/2022	Tender Outcome
31/03/2022	Contract Start Date
30/03/2025	Contract end

5.0 Tender Evaluation

Please submit all documents in a Microsoft Word compatible format (or Open Document format). You may additionally send a PDF version.

Evaluation criteria to be used for evaluating this ITT will be as follows:

Award Criteria	Weighting
<u>Design & Functionality of the Software</u> Please demonstrate how your solution meets / exceeds the FRC's Requirements (as per "2. Requirements")	25%
<u>Usability of the Software</u> FRC are seeking a system that has easy / intuitive to use supported with customer friendly training material(s). Please demonstrate how your solution meets / exceeds this requirement.	25%
<u>Support, Service & Maintenance</u> FRC are seeking a system / supplier that are committed to optimum customer service, support and maintenance to ensure smooth delivery of the system over the duration of the Agreement (and exit). Please demonstrate how you will meet exceeds this requirement (as a minimum you should have clear Service Level Agreement (SLA) and dedicated Account Manager.	10%
<u>Strategic Fit (integration, improvement and Deliverables)</u> The FRC requires <ul style="list-style-type: none"> the system to integrate with our General Ledger - One Advanced (Cloud Financials). be fit for purpose over the contract lifespan (bearing in mind the FRC's company change / transition). integrate / adapt to accommodate future partnering / reporting requirement with FRC's partner organisations. complete commitment to delivering the deliverable. Please articulate your strategic fit and details on how this requirement will be met.	20%
Total Quality	80%
Commercial/Price	20%
Total Price	20%
Total	100%

Pricing Evaluation (20%)

Pricing will be assessed as below:

The following formula will be used to establish the percentage scored up to a maximum of 20%:

$$\frac{\text{Lowest Total Price}}{\text{Price to be Scored}} \times 20\% = \text{Final \% Score}$$

Quality Evaluation (80%)

Considering each question Quality rating will be as follows:

Quality Evaluation and Scoring

Score	Criteria for awarding score
0	Unacceptable/No Response Failed to provide confidence that the proposal will meet the requirements. An unacceptable response with serious reservations.
25	Poor A poor response with many reservations. The response/software lacks convincing detail with risk that the proposal will not be successful in meeting all the requirements.
50	Fair Meets some requirements/expectations – the response and software generally meet the requirements but lacks sufficient detail to warrant a higher mark.
75	Good A good response that meets the requirements with demonstration of clear and practical procedures for navigation and use of the software with few reservations.
100	Excellent An excellent (well detailed) response that fully meets requirements/demonstration of clear and practical procedures for navigation and use of the software with no reservations.

Tenderers are required to submit a Tender strictly in accordance with the requirements set out in this document, to ensure FRC has the correct information to make the evaluation. Evasive, unclear, or hedged Tenders may be discounted in evaluation and may, at FRC's discretion, be taken as a rejection by the Tenderer.

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

References

The FRC reserves the right to take up references. You will be required to provide references within the Tender Response Document. References must be relevant to the FRC requirement and within the last five years.

- The tenderer should provide a fixed fee for the work exclusive of VAT however inclusive of all expenses.
- Tenderers should detail their cost in the Tender Response Documents in the format specified. No other costs should be charged on top of the fixed fee, unless and except if the scope has materially changed from what is set out / agreed. Changes to the scope / cost must be mutually agreed.
- **The FRC does not anticipate tender bids over £110,000 excluding VAT over the duration of the Agreement.**

Note: The FRC reserves the right to reject tenders that exceed this value.

7.0 Use of ITT & publication

Tenderers **must not** undertake any publicity activity regarding the procurement within any section of the media.

8.0 Questions & Clarifications

8.1.1 Tenderers may raise questions or seek clarification regarding any aspect of this further competition at any time prior to the tender clarification deadline.

8.1.2 Tenderers may raise questions or seek clarification within the timeframe by sending questions to procurement@frc.org.uk in the following format.

Nature of query / clarification	Query / Clarification

8.1.3 FRC will not enter into exclusive discussions regarding the requirements of this ITT with tenderers.

8.1.4 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.

8.1.5 Responses will be published in a questions and answers document to all Tenderers who have indicated that they wish to participate.

9.0 Conduct

9.1.1 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.

9.1.2 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.

9.1.3 The tenderer must not make any arrangements with any other person about whether or not they should tender, or about their tender price.

9.1.4 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.

9.1.5 If the tenderer engages in any of the activities set out in this paragraph or if FRC considers the tenderer's behavior is in any way unethical FRC reserves the right to disqualify the tenderer from the procurement.

9.1.6 The tenderer represents and warrants that a conflicts of interest check has been carried out, and that check revealed no conflicts of interest.

9.1.7 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.

9.1.8 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.

10.0 Due Diligence

10.1.1 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.

10.1.2 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.

10.1.3 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.

10.1.4 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.

11.0 Submitting a Tender

11.1.1 Tenderers must submit their tender response within the deadline to procurement@frc.org.uk.

11.1.2 Where a Tender Response Template is provided, potential providers must align their tender response with that format.

11.1.3 A Tender must remain valid and capable of acceptance by the Authority for a period of 90 days following the Tender Submission Deadline. A Tender with a shorter validity period may be rejected.

12.0 Evaluation

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

13.0 Acceptance of Tender & Notification of Award

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

13.1.2 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.

13.1.3 The tenderer will be notified of the outcome of the tender submission at the earliest possible time.

13.1.4 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.

13.1.5 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.

14.0 Additional Information

14.1.1 Please use the attached Tender Response Document for your reply.