



Invitation to Tender

Payroll and HR Support Services

Part A: Payroll specification

May 2018

Introduction

The Meller Educational Trust (MET) is seeking to procure across its schools for:

- A common payroll provider; and
- An HR services support partner.

Potential bidders are asked to submit an expression of interest to the following email address, indicating whether you intend to bid for one or both services:

tracy.simmons@mellereducationaltrust.org

Bids will be welcome for one or both payroll and HR support services. MET is seeking to procure both simultaneously to come into effect from autumn 2018 as part of a wider review of HR and central services. For this reason, we are issuing the specifications together. Bidders should indicate in their bid if the services are separable, ie the Trust can appoint to one of the services. They should also indicate the financial and other benefits of appointing for both services. This document covers the payroll element of the procurement. A separate but complementary document, entitled Part A: HR services, accompanies this document.

The timetable for submitting expressions of interest and for submitting bids are set out below.

Background

The MET is a multi academy trust within the South Hertfordshire, Watford and Hillingdon areas. The contracting body will be the Meller Educational Trust, company number 06903310, based at 18 Colonial Way, Watford, WD24 4PT. The main contact for the purposes of this procurement is:

David Hughes

Director of Finance and Operations

The Trust currently consists two schools:

- Francis Combe Academy, Horseshoe Lane Watford and
- The Bushey Academy, London Road, Bushey

We currently employ 275 staff across the two schools and the small central core team.

This procurement also covers the following single academy trusts who are due to transfer into the MET during this calendar year. The HR and payroll services will be for the expanded Trust.

- Hertswood Academy, 130 staff, Cowley Hill, Borehamwood
- Harefield Academy, 107 staff, Northwood Way, Harefield
- Watford UTC, 30 staff, 18 Colonial Way, Watford

The final solution will cover all five schools and the Trust for a joint payroll and a single HR support service, as detailed in this specification.

In addition, we support Global Academy, Old Vinyl Factory, Blyth Road, UB3 1 HA under an umbrella trust arrangement, and they are seeking access to the HR service provision only.

We anticipate that all schools will move to the new arrangements for 1 September 2018, but we reserve the right to vary membership and timings to reflect the local circumstances. For the duration of this contract, we may expand the Trust further. We will let this contract on the basis that other schools can be added on (at least) the same terms.

Part A: Payroll provision

We plan to operate a single payroll for the Trust from September 2018 for all Trust employees. This will take the form of:

- Input data, including changes, will be made on a school by school basis;
- Checking of reports prior to payment will be undertaken centrally;
- Payments to staff and HMRC will be made by the provider from a single Trust bank account by BACs;
- There will be a single payroll date (last working day of the month) for all staff, but with the option of making an early payment, such as at Christmas. We may seek an interim, transition date for the school not currently paid on the last working day;
- Reports will need to identify school and staff type (teacher, support staff, admin)

All schools currently operate with a separate PAYE code including Francis Combe and Bushey Academy. We are seeking, with the new payroll provider's help to move to a single registration.

Each school has a separate registration with the local government pension scheme, and this can include different employer rates. There are also different administrators (Hertfordshire and Hillingdon currently). The provider will be expected to make payments and provide information to all relevant administrators, and to factor in the different rate of contributions.

The annex provides further detail on our expectations for the provision, and for which bidders should price.

Procurement timeline

Event	Date
Issue of ITT	14 May 2018
Briefing session	Monday 21 May at Francis Combe Academy
Return of tenders	5pm on 7 June ¹
Shortlisting	8 June
Presentation	14 June
Award of preferred bidder	By 22 June
Mobilisation from	25 June
Start date	1 September 2018

Potential bidders should send their expression of interest to the email contacts below, together with confirmation of whether they intend to attend the briefing session by 18 May. The briefing session will be held at 10am at Francis Combe Academy, Horseshoe Lane, Watford WD 25 7HW and will last approximately 1 hour. It will focus primarily on the Trust's plans for HR provision, but payroll providers are welcome to attend also.

All tender documents should be submitted by 5pm on Thursday 7 June. It is the responsibility of the tenderer to ensure that the tender is delivered, and delivered on time. The Trust will not undertake

¹ Please note that schools have half term in the week commencing 28 May, and so responses to any questions submitted that week may be slower than during term time. We will endeavour to answer as quickly as possible.

to consider late or incomplete submissions. The submission should be by email, although tenderers may also submit paper copies of any documents to the Director of Finance and Operations, MET, 18 Colonial Way, Watford WD 24 4PT.

A decision on payroll provision will be made by 15 June. The Trust is holding a presentation day for shortlisted companies to present proposals on the HR service on 14 June. A decision will be made by 5pm on 8 June if the presentation day will include payroll, and payroll providers submitting a bid solely for the provision of payroll will be notified then if they should attend the presentation day. The Trust reserves the right to vary the timetable, and also is under no obligation to appoint a preferred bidder from this exercise.

Submission of tender

Tenders should be submitted by email to david.hughes@mellereducationaltrust.org, copied to tracy.simmons@mellereducationaltrust.org in accordance with the timetable above. 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 educational institutions
- 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 contact named in the introductory paragraphs (Director of Finance and Operations for the Trust).

Tender evaluation

The tenders will be evaluated in accordance with the following criteria:

- Commercial pricing: 50 per cent

- Efficiency of data upload, review and authorisation processes: 20%
- Output reports: 20%
- Contractor customer service provision: 10%

Tenders may be rejected if they do not comply with the tender specification or public sector procurement guidelines.

Contracting and invoicing

The Trust is seeking a three year contract, unless terminated or extended within the terms and conditions herewith. Bidders should price submissions accordingly.

The Trust is under no obligation to appoint a contractor from this exercise, and reserves the right not to appoint or to re-run the exercise. The Trust will not be liable for any bidder costs prior to appointment, including compilation of the submission.

Invoices should be sent to the Director of Finance at 18 Colonial Way Watford. Invoices for ad hoc work should clearly show the purchase order number and requester.

Termination

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

The duration of the contract is for an initial period of three years, and can be renewed for an additional one or two years.

At the end of the contract, the contractor will provide all pay data in a timely manner to support transition to the 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.

Data Accuracy

The Trust acknowledges that it is responsible for the accuracy of data submitted to the service provider.

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
- TUPE – there are no TUPE considerations within this service

Annex: specification for payroll service provider

Services to be provided by payroll provider on a monthly basis:

- User-friendly portal/interface for uploading payroll data
- Timely processing of payroll data to ensure staff are paid accurately on the designated pay date
- Timely processing of changes to payroll to include, but not necessarily limited to, new starters leavers, change of academy within the Trust, change of pay scale or grade
- Calculation and processing of deductions from payroll, including tax and pensions, union dues, payroll giving and other deductions, as appropriate
- Calculation and processing overtime and hourly pay
- Calculation and processing of SSP/SMP.SAP/SPP and maintenance of appropriate records
- Handling salaries, allowances, overtime, expenses, deductions for unpaid leave, strike action, tax and pension contributions
- Payment of net wages to staff by BACs from the nominated bank account(s)
- Calculation and payment of employer and employee national insurance to HMRC on a timely basis
- Calculation and payment of employer and employee contributions to the local government pension schemes and the Teachers' Pension Agency
- Apply the apprenticeship levy threshold to the total payroll and ensure the Trust pays the correct levy on a monthly basis*
- Paper or e-pay slips – this will not be a deciding factor in determining the successful provider, but bidders should specify which method they provide;
- HMRC compliant reporting, including RTI where relevant

Services to be provided by payroll provider on a periodic basis, as determined by need, to the timetables dictated by the relevant stakeholder or government agency, unless otherwise stated:

- A named Trust support officer to support payroll queries
- Support the transition of all existing school payroll data to the new system and provider
- Support liaising with HMRC, DWP and other relevant government departments on payroll related issues, including the payment of deductions, levies and tax
- The application of school-specific pay rates and ranges
- The payment of performance pay, including bonuses where relevant, and inflationary or other uplifts to pay scales
- Support to move to common ranges and pay rates if the Trust chooses to do so during the contract
- Provision of P45s, P60s, P11ds (if relevant) and other tax documents to individual members of staff as and when appropriate.
- Auto-enrolment with either TPS or LGPS as directed by the Academy
- Pension returns to TPS and the LGPS as required by the schemes
- Automatically update tax, levy and pension rates as well as individual staff tax allowances
- The ability, at no extra cost, to run the payroll on a different date from time to time, such as at Christmas

Reports to be provided:

Prior to payroll run -

- Payroll report detailing pay and deductions for each member of staff
- A payroll variance report identifying changes from the prior month
- BACs payment report showing payments to be made

Bidders should specify what reports they produce, providing examples.

After payroll run -

- Final suite of reports above for audit purposes. Bidders should explain how they will work with the Trust to deliver data that can be used for journaling into the Trust's finance system, Civica. It should be downloadable into Excel or other format that allows data to be allocated to schools and cost centres – journals will be posted centrally to each school's nominal codes within the Trust system, and this needs to be as streamlined as possible.
- Workforce data including staff numbers by category and full time equivalent rates
- Monthly apprenticeship levy payment and balance report;
- Monthly gender pay gap analysis report, showing median and mean hourly rates for men and women by quartile
- Annual gender pay gap providing the data required by the Government

The bidder should indicate in the bid the level of Trust tailoring of reports that can be accommodated, and the format of reports provided.

Key performance indicators

The Trust is seeking the following performance indicators:

KPI	Acceptable levels	Action
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.
Error arising from failure to process change request (assuming received within agreed timeline)	To be agreed	
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
Deadlines and timetables	To be agreed	The bidders should specify the timetables for data input and processing in their bid
Handling ad hoc employee issues	24 hours	To resolve issue
Payslips received by staff post payment	24 hours (e-payslip), delivery next day to academy for paper copies	

Bidders should provide KPIs as part of their proposal

The Trust 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 by this contract 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 make payment on time to HMRC or pension providers more than once in any twelve month period

Bidders should specify in their bid if they cannot meet any of the above criteria, and should advise in their bid if the cost of any specific item is significant to allow the Trust to make an informed decision on appointment.