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Contract

CO0344 Essex Payroll and Pensions Administration Service

Essex County Council

F03: Contract award notice

Notice identifier: 2024/S 000-022868

Procurement identifier (OCID): ocds-h6vhtk-04348e

Published 23 July 2024, 2:43pm

Section I: Contracting authority

I.1) Name and addresses

Essex County Council

County Hall, Market Road

Chelmsford

CM1 1QH

Contact

Mr Andrew Beaver

Email

Andrew.beaver@essex.gov.uk

Telephone

+44 333

Country

United Kingdom

Region code

UKH3 - Essex

Internet address(es)

Main address

<https://www.essex.gov.uk/>

Buyer's address

<https://www.essex.gov.uk/>

I.4) Type of the contracting authority

Regional or local authority

I.5) Main activity

General public services

Section II: Object

II.1) Scope of the procurement

II.1.1) Title

CO0344 Essex Payroll and Pensions Administration Service

Reference number

DN675873

II.1.2) Main CPV code

- 79211110 - Payroll management services

II.1.3) Type of contract

Services

II.1.4) Short description

Essex County Council (the Council) is seeking to outsource its Corporate Payroll and Pensions Administration Services (PPAS) which are currently provided in-house by the Council, such contract anticipated to commence in August 2024 for an initial 3-year period (with a further extension option of up to 2 years).

The in-house PPAS primarily manages payment of salaries to Council employees and allowances to members and other officers, while administering pension contributions and pensions statutory reporting.

The Council is looking for an external provider for this service, in order to benefit from reduced costs and innovative approaches while retaining a high level of service. Any solution will include the transfer of our existing staff and continued use of the existing payroll system, which has successfully paid all staff since its introduction in 2021.

II.1.6) Information about lots

This contract is divided into lots: No

II.2) Description

II.2.3) Place of performance

NUTS codes

- UKH3 - Essex

II.2.4) Description of the procurement

Essex County Council invites tenders for provision of its Payroll and Pension Administration

Service. The current internal payroll service makes payments to around 8,300 employees per month including managing pension contributions and statutory reporting. It also manages elements of the system administration and maintains certain key data around system approvers and

the hierarchy.

The service will be for an initial 3-year term, with an option to extend for up to a further 2 years, with services commencing in August 2024.

The aim of the procurement is to outsource the following key activities of the current service, which include but are not limited to:

- processing monthly payroll including payment, costing, statutory deductions, and reporting, third

party payments and reconciliation for circa 8,300 – 9,000 directly employed Council staff.

- implementing pay changes because of Essex Pay.

- managing the payment of allowances to circa 75 members and other office holders per month

- administering pension contributions and other pension scheme administration for Council staff

only

- undertaking pensions statutory reporting and record corrections for Council staff and maintained

schools' employees.

- system administration tasks on the current Council IT system including and managing system

upgrades.

- managing the organisation structure within the system
- updating changes to the workforce including starters, leavers, and changes
- managing absence including leave, sickness, and statutory leave
- correcting errors such as over and underpayments
- payroll information for the Council's in-year forecasting of its financial position and in developing future years' budget models
- undertaking financial end of year activity
- managing employee queries relating to the above

and all other activities required to deliver the requirements set out in the Council's Service Specification for this requirement.

The current payroll runs monthly for payment in advance on 23rd of each month for the whole month or the closest working day prior – this is required to be continued in the outsourced service.

In scope services and out of scope services are set out fully within the detailed Service Specification published for this tender. We are seeking a Contractor that can and must operate

within our existing systems and set up by accessing our current platform to manage the on-going

payroll and pension activity including elements of system administration.

The Council has considered this procurement in relation to the Transfer of Undertakings (Protection

of Employment) Regulations 2006 (the Regulations). The Council's view is that those Regulations

apply to the transfer of activity envisaged by the proposed award of a contract for these services.

Application of the Regulations is a matter of law and Bidders are therefore advised to seek their

own independent legal advice on whether or not the Regulations apply. The current in-house Council team is composed of circa 29.66 FTE split between various teams:

Payroll management 18.65

Systems Administration 5.51

Pension Administration 5.50

There will be a requirement to provide appropriate pension provision which would usually entail the

preferred Bidder providing continued access to the current Local Government Pension Scheme by

achieving admitted body status of the Local Government Pension Scheme for any transferring

employees. The requirements for any such pension provision (or

alternative) is set out in Schedule 5 of the published contract for this tender.

The indicative contract value set out in this notice are for a 5-year contract with some minimal

flex for potential contract variations during the term but there is no guarantee of the extension

or any variations. Bidders are referred to Schedule 3 of the contract for this tender and the

guidance and instructions issued with the pricing matrix to ensure they fully understand what is

and is not permitted for this contract. The Council will not award inflation uplifts at any point

during the term.

The Payroll and Pensions Administration Service may provide opportunities for the Council to add to the services during the term where the Council needs or wishes to give effect to changes required to optimise, streamline or otherwise improve the services and/or arising from devolution and/or local government reform arrangements and/or shared services arrangements between the Council and other organisations. The actual contract value of the contract may therefore be in excess of the published value.

The award criteria referenced in II.2.5 includes the applicable weightings:

- 35% - Price/Commercial
- 60% - Technical/Quality
- 5% - Social Value

and using the published evaluation criteria in the tender documents.

The tender is subject to minimum scores on some of the quality questions and to maximum caps on price as set out in the published tender documents.

II.2.5) Award criteria

Quality criterion - Name: Quality / Weighting: 65

Price - Weighting: 35

II.2.11) Information about options

Options: No

II.2.13) Information about European Union Funds

The procurement is related to a project and/or programme financed by European Union funds: No

Section IV. Procedure

IV.1) Description

IV.1.1) Type of procedure

Open procedure

IV.1.8) Information about the Government Procurement Agreement (GPA)

The procurement is covered by the Government Procurement Agreement: Yes

IV.2) Administrative information

IV.2.1) Previous publication concerning this procedure

Notice number: [2024/S 000-002599](#)

Section V. Award of contract

A contract/lot is awarded: No

V.1) Information on non-award

The contract/lot is not awarded

No tenders or requests to participate were received or all were rejected

Section VI. Complementary information

VI.4) Procedures for review

VI.4.1) Review body

Royal Courts of Justice

London

WC2A 2LL

Country

United Kingdom