

REQUEST FOR PROPOSALS

For Payroll Processing and Ancillary Services The Somerset Community Action Program Somerset, New Jersey

July 3, 2018

All questions regarding this RFP shall be directed to:

Steven Nagel
Executive Director
732-846-8888 x202
snagel@somersetcap.org

The Somerset Community Action Program
155 Pierce St., Suite F
Somerset, New Jersey 08873

SECTION I

REQUEST FOR PROPOSALS (RFP) / PROJECT OVERVIEW

The Somerset Community Action Program (herein referred to as SCAP) is requesting proposals from qualified firms with significant experience to assist SCAP with its payroll processing and other ancillary benefits management and human resource needs. SCAP will oversee all aspects of the selection process.

SCAP expects to select and contract with one firm to provide either all or a selected group of the components described in this Request for Proposals (RFP). SCAP may choose to reject all proposals. SCAP is an equal opportunity, affirmative action employer, does not discriminate because of race, religion, color, sex, national origin, sexual orientation, marital status, age if the individual is 18 years of age or older, disability or any other factors protected by law.

The firms responding to this RFP should be prepared to cooperate fully with SCAP, its staff and the Project Representative throughout the entire selection process.

SCAP's relevant payroll-related facts:

- 25- W-2s in 2018
- Bi-weekly payroll for approximately 18 permanent employees
 - * Full-time and part-time staff, FLSA exempt/nonexempt
- Health, dental, vision, workers compensation, future employee assistance programs, disability and life insurance; 403B plan
- Optional Deductions
- Payroll processed by outside vendor including bi-weekly payroll, quarterly reports,
- end-of-year processing and reporting

Additional information regarding current process and payroll organization described in Section III and in Section VIII Annexes.

SECTION II SCOPE OF SERVICES

The selected firm shall work with and cooperate with SCAP rendering services pursuant to this RFP.

Goals of outsourcing services:

1. **Efficient use of scarce resources** through the reduction/elimination of duplicative processes; appropriate use of technology; process automation; access to data sets and reports.
2. **Maintain accuracy and timeliness** of all aspects of payroll processing including federal and state tax reporting and remittances.
3. **Reduce risk** by having more secure and solid payroll data, improved internal controls, automated regulatory filing and payment.
4. **Flexibility** to implement new requirements, fringe benefits offerings and any other changes to SCAP staff remuneration.

The services solicited in this RFP should address the stated goals for the outsourced services and include the following component areas of service. Each area of service should be quoted as separate components of the total bid price:

Payroll Service

Area of Service: Accept Bi-weekly Time Reporting.

1. Provide online access for employee entry time reporting, management of accrual balances, leave requests and approvals, and exception reporting.
2. During implementation and departmental transitions, accept upload of biweekly employee time sheets in Excel 2013 or later version format.
3. Ability to handle various time reporting configurations of time sheets, various hour work week, various accruals.
4. Ability to track time by multiple codes such as, but not limited to, specific general ledger accounts, projects, workers compensation codes.
5. Proposal for alternate time reporting technology that meet SCAP needs will be considered and should be described and priced clearly.
6. Provide Supervisor online window to approve employees' time entry.
7. Provide ability for second review of time entry for accounting through online window prior to payroll processing for payment.
8. Provide method to suspend the processing of time sheet entries that do not have two levels of review prior to processing entire payroll batch, along with a warning method to notify accounting that suspended records exist prior to payroll processing deadline

Area of Service: Process Payroll.

1. Process bi-weekly payroll for entire employee base, to include direct deposit and paper checks and/or any combination of both payment methods. Direct deposit must have capability to accommodate two additional banking transfers per employee.
2. New banking instructions from employees shall be pre-noted with employee's banking institution prior to initiating new banking instructions to test validity of employee's banking information.
3. Provide ability to include and track taxable benefits.
4. Provide ability to include and track employee vacation and sick time.
5. Process retro check payment amounts, final checks or special pay runs that do not occur in conjunction with the standard payroll schedule. Process to occur in a timely manner and to be paid by paper check regardless of employee's regular preference of payment method.
6. Provide online access for employee self-serve, including capabilities to view current & historical payroll information, demographics, W-4 election changes, address changes and direct deposit changes

Area of Service: Tax Deposits, Quarterly & Annual Payroll Tax Reports, W-2 filing, and 1099 submissions.

1. All federal and state tax deposit to be made in a timely manner consistent with applicable federal and state law and reporting requirements.
2. Completion and filing of federal and state quarterly payroll tax reports in a timely manner consistent with federal and state law and reporting requirements.
3. Completion and filing of W-2 forms, including distribution to employees.
4. Electronic submissions of W-2 files to federal and state government.

Area of Service: Reporting and Data Download.

1. Provide general ledger journal entry to record payroll batches into accounting software
2. Ability to generate Excel reports to be used for:
 - a. Detailed payroll distribution information.
 - b. Bi-weekly leave accrual balances by department, supervisor and/or employee.
 - c. Exception by department, supervisor and/or employee.
 - d. Bi-weekly deductions.
 - e. Health insurance and dental insurance by insurance provider, by billing category and by employee
- f. FLSA, and other reporting as required per applicable government agency
- g. Grant and/or project reporting for staff costs
- h. Annual staff statements of total salary and benefits remuneration, EEO status, including automated reports for EEO-4 reporting
- j. Bi-weekly retirement contributions by contribution component by employee for the purposes of reconciling bi-weekly payroll deductions and/or benefits paid.
- k. And, other extensive report capacity including but not limited to DOB/age list, home mailing labels, anniversary lists, seniority lists, pay/hour reports by employee, department, job history reports, organizational reports related to all hires.
3. Provide and/or design other specialized HR reports for recurring needs or special project purposes.
4. Provide format for storing emergency contact information

Area of Service: Employee Records and Interface.

1. Provide online access, upload ability and/or other methodology for a single employee record set-up and maintenance. Record changes could include but are not limited to pay rate changes, position changes, address changes, benefit eligibility/election changes.
2. Ability to distribute payroll and benefits costs to multiple general ledger cost center accounts and multiple projects.
3. Provide security levels that will facilitate internal controls such as but not limited to discrete staff user rights to update employee records, upload hours, approve payroll disbursement, and/or sole HR access to non-payroll records.
4. Provide processes and security levels that facilitate efficient use of SCAP resources by reducing data entry burden on HR staff by providing employees the ability to directly update their records, including but not limited to data such as contact information, emergency contacts, W-4 deductions, and qualifying event changes for insurance plan elections.
5. Ability to track former employees who remain on SCAP health insurance plans through COBRA.
6. Employee records should retain/maintain history of employee over time. *List additional cost, if any to download/add history to system.*
7. Provide verification of employment responses made by employees' lenders.
8. Provide duplicate copies or access for online self-service to employees to produce copies of past pay check stubs and prior year W-2's.
9. Provide process automation wherever possible, including but not limited to annual COLA pay scale update process, annual employee step increase process, annual open enrollment, and elections.

General for Areas of Service.

1. Data Security: provide information about your security standards given the sensitive nature of payroll data including tech specifications of any hosted data servers and software, web-based communications, electronic payments, data encryption, data storage, backup systems for data and continuity of service for payroll processing, etc.
2. Technical specifications: describe minimum and optimal technical specifications required for SCAP devices, hardware, software and connectivity to implement proposed services.
3. Research payroll and HR issues on request.
4. Provide training and act as a resource to SCAP's Executive Director and Accounting Department when needed.
5. Provide training resources to SCAP departments, general and specific, to educate employees and supervisors on use of interfaces where applicable. Training resources should include but are not limited to the use of any remote time entry devices, how to upload documents, and how to create self-generated reports.
6. Other services as may be agreed to by the parties, or as proposed pursuant to this RFP.

SECTION III

SUMMARY OF CURRENT PAYROLL AND ANCILLARY PROCESSING

This section mirrors the categories above, providing a summary of how SCAP manages these processes currently in order to give proposers ability to make ROI estimates and address SCAP goals of efficiency, accuracy, risk reduction and flexibility. Currently, SCAP contracts with CBiz to process payroll and Time Force for hours tracking.

Payroll Service

Area of Service: Bi-weekly Time Reporting.

1. Employees track time weekly online in the Time Force reporting system. Timecard is signed electronically by employee and supervisor and is turned in bi-weekly. Accounting follows up on unsigned timecards before processing payroll.
2. Time sheets are due every other Tuesday by 3:00 PM, for the following Thursday pay date.
3. All SCAP/employee initiated changes are processed when approved and received.

Area of Service: Process Payroll.

1. Accounting checks each electronic time card to verify that hours recorded equal each employee's employment agreement and verify that leave usage has been accurately recorded.
2. Accounting keys bi-weekly summary of changes. Taxable benefits are captured in data entry process.
3. Data entry: review by Accounting for accuracy based on time sheet coding and any employee changes submitted for the month such as salary, banking changes, deduction changes, etc.
4. Payroll reports are submitted, and a draft module is produced and sent electronically to SCAP.
5. Reconciliation: Accounting assures payroll module and payroll spreadsheet reconcile for all payroll related vendor bills.
6. Employee change review: Executive Director reviews all employee changes for accuracy
7. Once payroll reports have been finalized and approved, approval is given to process payroll
8. Direct deposit drafts are returned to SCAP
9. Retro check payment amounts are included in the payroll processing, final checks or special pay runs such as but not limited to error corrections and terminations. Manual checks are reported into the payroll system, and feed into the next payroll for balancing submissions for for tax, retirement, etc.

Area of Service: Tax Deposits, Quarterly & Annual Payroll Tax Reports, W-2 filing.

1. All federal and state tax deposits are made by CBIZ, with funds pulled from SCAP checking account.
2. Completion and filing of federal and state quarterly payroll tax reports is done by CBIZ. Forms include Federal Form 941, 941 Schedule B, and Unemployment Insurance Tax Report.

3. Completion and filing of federal and state annual payroll tax reports completed online.
4. Completion and filing of W-2 forms, including employee mailings for distribution of employee copies is done by payroll system.
5. Adjusting journal entry is processed to clear out payroll holding accounts and record the checking account cash transactions.
6. After the second payroll of the month health insurance, dental insurance, vision insurance, employee assistance program, life insurance, etc. are paid.
7. Budgeting and cost scenarios are done in Excel outside of the accounting software, which are extremely labor intensive, difficult to share with other stakeholders in budget development process and vulnerable to error.
8. Grant reporting for personnel cost is a manual process which combines employee payroll reports, timesheet and other general ledger research.

Area of Service: Employee Records and Interface.

1. Record changes are submitted and manually entered in the payroll module. Record changes could include but are not limited to pay rate changes, position changes, address changes, benefit eligibility/election changes. Depending on the change, other tracking tools may need to be updated. Address changes are made manually or by using online access to benefit programs.
2. Verification of employment requests are handled internally.
3. Employee requests for prior year W-2's are processed by locating the hard copy and making a copy to mail to employee.
4. Changes to employee compensation are handled internally and reported to the payroll vendor.

Area of Service: Employee Benefits.

1. Open enrollment process for insurance and other benefits completed using Excel file that is uploaded or keyed into the vendor website.
2. Change of address and/or benefit elections for insurance and other benefits are updated as needed and reported to individual benefit companies online or by telephone.
3. Workers compensation annual audit reporting is gathered internally and reported online to insurance company
4. Accounting reconciles vendor bills for benefits to payroll module.

**SECTION IV
GENERAL INSTRUCTIONS**

ADMINISTRATIVE INFORMATION.

This RFP is issued under the authority of:
The Somerset Community Action Program
155 Pierce St., Suite F
Somerset, New Jersey 08873

All inquiries concerning the intent of this request, contract information or site access shall be directed via email to: Steven Nagel, Executive Director at snagel@somersetcap.org

This Request for Proposals consists of the following items:

- Section I. Request for Proposals / Project Overview
- Section II. Scope of Services
- Section III. Summary of Current Payroll and Ancillary Processing
- Section IV. General Instructions
- Section V. Proposal Response
- Section VI. Evaluation and Selection
- Section VII. Contract

It is suggested that this package be checked to insure that all listed information is included.

- If there are any deviations from the RFP requirements, please indicate the reason for such deviation in writing. An incomplete or uncoordinated submission will be judged as indicative of the proposer's capability and professionalism.
- A list of all solicited proposers will be provided to any proposer upon receipt of a written request.

PROPOSAL SUBMITTAL OPTIONS.

In order to be considered for purposes of evaluation and contract award, submit your proposal using one of the following three options:

Option 1: Submit via email a single pdf document of the complete proposal, including all other documents required to be submitted with the proposal to snagel@somersetcap.org . Clearly note **Payroll Processing Services Proposal** in the subject line.

Option 2: Submit a sealed envelope clearly marked on the outside **Payroll Processing Services Proposal** with a data stick containing a single pdf document of the complete proposal, including all other documents required to be submitted with the proposal.

Option 3: Submit a sealed envelope clearly marked on the outside **Payroll Processing Services Proposal** with three (3) copies of the complete proposal, including all other documents required to be submitted with the proposal.

Option 2 and 3 drop off at the following address/location:

The Somerset Community Action Program
Attn: Steven Nagel
155 Pierce St., Suite F
Somerset, NJ 08873

Proposals sent by fax will not be accepted.

No responsibility or liability will be attached to any SCAP official, employee or agent for the premature opening or failure to open any proposal not marked according to this instruction or proposals sent by mail/courier service and received by SCAP after the deadline. No responsibility or liability will be attached to any SCAP official, employee or agent should a proposal sent via email not be received by deadline due to size or any other issue that impedes its arrival to the specified email address on time.

C. SUBMITTAL DEADLINE.

Proposals must be received by **Monday, August 6, 2018, 5:00 p.m.** Eastern Daylight Time. Proposals received after the date and time specified and/or proposals which are not prepared and filed in substantial compliance with the terms and conditions of this RFP will not be considered for evaluation or award of a contract.

D. PROPOSAL OPENING.

All proposals received in compliance with the instructions of this RFP will be reviewed by the Project Representative and selected proposal evaluators beginning August 1st.

E. MODIFICATION OR WITHDRAWAL OF PROPOSAL.

A proposal may not be modified, withdrawn or canceled by the proposer for a ninety (90) day period following the time and date designated for the receipt of proposals and proposer so agrees in submitting the proposal.

Prior to the time and date designated for receipt of proposals, proposals submitted early may be modified or withdrawn only by notice to SCAP. Such notice shall be in writing over the signature of proposer, or by scanned email.

If by scan, written confirmation over the signature of proposer must have been mailed and postmarked on or before the date and time set for receipt of proposals.

Withdrawn proposals may be resubmitted up to the time designated for the receipt of proposals, if they are then fully in compliance with the RFP.

F. SUBMITTAL COSTS.

The cost of submittals and any other expenses related to this RFP including travel for interviews or inspections shall be entirely the responsibility of the proposer.

SECTION V

PROPOSAL RESPONSE

The submitted written proposal must utilize the following format and content detail. Proposals shall be prepared so that responses are specifically identified in the same order as the requested information identified below.

TITLE PAGE. (Mandatory)

The name and signature of the proposing firm's authorized representative as well as his/her email address and telephone number must be provided. The proposal must be dated on this page. The authorized representative is to signify the proposer's agreement and compliance with all requirements set forth in the RFP.

In addition, the signature will certify the proposer's acceptance of and responsibility for the following (**note that the following language must be reproduced above proposer's signature**):

1. All data presented in the proposal is accurate and complete.
2. Acknowledgment that the proposer has read and understood the RFP and the proposal is made in accordance with the contents of the RFP unless otherwise noted in the proposal.
3. The proposal shall be valid for 90 days after submission of the proposal.
4. The cost of submittals and any related expenses, including travel for interviews or inspections, shall be entirely the responsibility of the proposer.
5. The discovery of any significant inaccuracy in information submitted by the proposer shall constitute good and sufficient cause for rejection of the proposal.

A. PROPOSED SERVICES (20 points)

For the Scope of Services, provide:

1. Description of the services proposed including work and/or inputs required by SCAP.
2. Staff, routine deadlines for bi-weekly, quarterly and annual processes.
3. Address how your services map to the outsourcing goals of efficiency, accuracy, risk reduction and flexibility.
4. Cost of service and pricing information (note any alternate or grouped service pricing)

B. COST OF PROPOSED SERVICES (20 points)

1. State your firm's pricing model for providing the different areas of services described in the scope of services.
2. Provide estimate of any one-time conversion or startup costs associated with implementing the proposed services.
3. If your company does not provide a specific service described in the RFP, simply note that service is not offered.

C. STATEMENT OF QUALIFICATIONS and EXPERIENCE. (15 points)

Provide a brief explanation of why your firm is qualified to provide payroll processing and ancillary services to SCAP. Describe the experience of your firm in providing payroll processing and ancillary services for non-profit sector clients.

D. STAFFING. (10 points)

Identify the specific personnel who will be assigned to provide services pursuant to this RFP. For each of these persons, please provide a bio as an exhibit.

E. LOCAL (5 points)

Identify state of your company incorporation. State if company is minority or women-owned.

F. SAMPLE REPORTS, DATA SETS and TECHNOLOGY (10 points)

1. Provide samples of the kind of reports you would be preparing for SCAP and data sets available to same if selected to provide payroll processing and ancillary services.
2. Describe format and availability options (web based, self-service, file format, etc.) for reports and data sets.
3. Provide information on your data security as well as software and hardware requirements for SCAP.

G. RESPONSE SERVICE. (10 points)

Explain how your firm will be able to provide the immediacy of response and personal quality of service needed for a small nonprofit organization with limited staff.

H. CLIENTS/REFERENCES. (5 points)

Provide a list of clients for whom you have provided payroll and human resources services during the past three years. Include names and telephone numbers of at least three references with the types of services noted.

AVAILABLE OPTIONAL SERVICES. (5 points)

Describe the associated services your firm will be able to offer SCAP to assist it in maximizing the use of scarce SCAP resources, both direct cost and staff time, that are directed towards payroll and benefits processing as well as data-intensive human resources processes. Pricing models and estimates for these additional services shall be provided.

H. STATEMENT OF ASSURANCE. (Mandatory)

Provide a statement of assurance that your firm is not currently in violation of any regulatory agency rules, or, if in violation, the violation does not have a material adverse effect on your ability to perform under the proposed contract.

J. INSURANCE. (Mandatory)

Certify that your firm will purchase and maintain for the duration of the contract the following levels of insurance:

- ❖ \$1,000,000 commercial general liability
- ❖ \$1,000,000 errors and omissions

K. INTERVIEWS.

Interviews will be conducted with the two companies presenting proposals with the highest scores. Interviews will be scored based on information presented during interviews, and overall quality of the service proposed.

SECTION VI EVALUATION AND SELECTION

Proposals will be evaluated based on the quality of responses to specific items outlined in the proposal response section of this RFP. Each valid proposal will be reviewed by the Project Representative and evaluation committee. Additional clarifying material may be requested by SCAP. SCAP will develop a shortlist of firms. SCAP may or may not interview the firms. Proposals which are incomplete or non-responsive to this RFP may be rejected. SCAP does not accept responsibility for the return of successful or unsuccessful proposals.

SCAP reserves the right in its sole discretion to:

- ❖ Reject any proposal not in compliance with all prescribed RFP procedures and requirements.
- ❖ For good cause reject any or all proposals upon a finding it is in the public interest to do so.
- ❖ Waive minor irregularities in the proposals received.
- ❖ Accept all or any part of a proposal in principle subject to negotiation of the final details. SCAP reserves the right to negotiate fee proposals.

SECTION VII CONTRACT

The selected firm will be required to sign a Personal Services Contract, which will be prepared by the selected firm, and approved by SCAP's Board of Directors.