

Request for Proposals
California Trial Court Payroll Vendor Services
Administrative Office of the Courts

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Request for Proposals California Trial Court Payroll Vendor Services Administrative Office of the Courts

1.0 GENERAL INFORMATION

The California judicial system consists of a total of 65 courts with different court locations and includes the state Supreme Court, six appellate courts, and 58 superior courts. Superior courts, also referred to as “trial courts,” are located in each of California’s 58 counties and handle civil and criminal cases covering such court matters as family law, probate, mental health, juvenile law, small claims, and traffic infractions. The policy-making body for the courts is the Judicial Council of California. The Administrative Office of the Courts (AOC) is the staff agency to the council.

Each trial court operates under its own personnel policies and procedures and is a separate, independent entity. The trial courts range in size from very small to very large; for example, one trial court employs as few as four or five employees with five job classifications as compared to another trial court with 5,400 employees and 150 job classifications. These differences within the trial courts create many variables for payroll systems administration.

1.1 Background

Two recent initiatives have created an unusual and dynamic situation for the trial courts. Prior to the passage of these initiatives, their respective counties funded the trial courts and provided payroll services and other administrative support. On September 13, 1997, the California Legislature passed the Lockyer-Isenberg Trial Court Funding Act and established the state’s responsibility for funding each of the 58 separate trial court operations. Despite the changes mandated by the above act, the county continued to be the actual employer of the trial court employees, including handling payroll administration and other services.

The Trial Court Employment Protection and Governance Act (TCEPGA), which became effective on January 1, 2001 and includes a two-year transition period, provides that each trial court, not the state or the county, is the employer of all trial court employees in the county in which the trial court is located (Gov. Code, § 71615(c)(5)).

The trial courts, as new employers, have the responsibility to ensure that payroll services are provided for their employees. Per the TCEPGA, the county must continue to provide payroll services to the court until January 1, 2003, if it presently provides such services, unless and until the county provides proper notice that it will no longer do so at the start of the next fiscal year. Likewise, under the same notice requirements, a court may give notice to the county that it no longer intends to use certain county services, as this arrangement may not always meet the needs of the trial court.

In short, a trial court's payroll historically has been provided by the county and is now in a transition phase after which the county is not obligated to provide payroll services, and either the court or the county may discontinue the county-provided service per the TCEPGA's notice requirements.

In an effort to provide the trial courts with an alternative to county payroll system services, the AOC has initiated this RFP. A recent survey of the trial courts indicates there are 27 courts interested in outsourced payroll services. The role of the AOC, in this instance, is to ensure that each trial court has access to qualified Payroll Service Providers.

2.0 PURPOSE OF THIS RFP

The AOC seeks the services of qualified Payroll Service Providers with expertise in outsourced payroll processing and related payroll services to provide these services to the California trial courts. It is the intent of the AOC to enter into a Master Agreement with one or more vendors on behalf of the trial courts. (Please refer to Section 5 for general information regarding the Master Agreement.)

3.0 GENERAL PAYROLL OUTSOURCED SERVICES REQUESTED

We expect the successful Payroll Service Provider(s) to have the ability to perform the following services, including but not limited to:

- A. Basic payroll processing services for a number of California trial court locations, ranging in size from small (10 employees) to medium (950 employees). See Attachment A for approximate employee counts of the 27 interested courts.
- B. The ability to print and deliver paychecks to each trial court location.
- C. The ability to interface payroll data to a financial system (e.g., SAP, PeopleSoft, Oracle) if required.

- D. The ability to download payroll data into a spreadsheet and/or an external database (e.g., MS Excel, MS Access).
- E. The ability to report all state and federal payroll taxes (if required).
- F. Complete “hands on” functional training to payroll system users.
- G. New hire reporting to the State of California (both paper and electronic).
- H. The ability to provide, or interface to, an electronic timekeeping and attendance solution (if required).
- I. The expertise to manage the Unemployment Compensation process (if required).
- J. The option to access and process payroll through the Internet using a standard Web browser with maximum Internet security (if required).
- K. The ability to provide an integrated, vendor-supplied Human Resources Information System, or the option to interface to a third party HRIS (if required).

3.1 Specific Payroll Functions to Be Provided

- A. Multiple user-defined earnings codes (pay types).
- B. The ability to locally print a manual check or a special payroll check.
- C. The ability to modify the information appearing on employee paycheck stubs.
- D. The ability to pay an employee at more than one rate.
- E. The option to set a “Final Check” indicator for terminated employees to prevent issuance of additional checks after termination.
- F. The ability to pay employees on a variety of pay schedules (currently, bi-weekly and monthly).
- G. The ability to calculate and pay miscellaneous vendor deductions such as benefits and retirement.
- H. The functionality to easily produce standard and ad hoc payroll reports.
- I. The ability to supply comprehensive, up-to-date payroll user documentation, both functional and technical.
- J. The option to preview and change a payroll prior to final processing.
- K. Group Term Life and excess life calculation.
- L. The ability to process pre-tax and post-tax deductions.
- M. The ability to handle retroactive payments.
- N. The ability to track, for payroll purposes, leave taken under the Family & Medical Leave Act (FMLA) and the California Family Rights Act (CFRA).
- O. The ability to track, process, and calculate various accrual and non-accrual leave types—e.g., Holiday Time, Overtime, CTO (Compensating/Compensatory Time Off), PTO (Paid/Personal Time Off), and Bank Time.

- P. The ability to make mass changes to earnings and deductions amounts and rates by bargaining unit or by other user-defined criteria.
- Q. Direct deposit capabilities (multiple accounts).
- R. The ability to track and report employee garnishments and the history of garnishments.
- S. The ability to manage flex-spending accounts.
- T. The ability to manually adjust taxable earnings for W-2 processing.
- U. Deferred Compensation.
- V. Retirement deductions (PERS).
- W. Reimbursements, both taxable and non-taxable.
- X. Moving allowance when required.
- Y. Car allowance when required.
- Z. System ability to accept both on-line and batch input.
- AA. The ability to split employee earnings between multiple cost centers.
- BB. The ability to track multiple anniversary dates (for leave accrual rate changes).
- CC. The ability to produce all year-end payroll reports, including W2's.

3.2 Additional Payroll Services Criteria

- A. Conduct an on-site study with the trial court staff (HR, IT, and Finance) to identify needs with respect to organizational and functional processes and system/hardware requirements (for each trial court location, as required).
- B. Assist in achieving a smooth transition from the existing payroll system to the new system (i.e., a transition that would occupy a minimum amount of trial court staff time and resources).
- C. Provide the needed levels of security for data input and for processing and accessing payroll information for management and staff.
- D. Maintain stable customer support to promote ongoing vendor familiarity with the court's unique payroll requirements.
- E. Successfully complete, to the satisfaction of the trial court, a parallel or off-line payroll run(s) prior to a "Live" payroll.

- F. Provide information regarding your ability to manage and support the implementation process. Do you provide on-site consultation prior to and during implementation? Include your expectation of the trial court's participation in the implementation process.

3.3 Experience

The ideal Payroll Service Provider(s) will have experience providing payroll services to small and medium public agencies (with employee populations ranging from 10 to 950) using comparable calculations including all federal and state taxes and reporting requirements. The successful Service Provider(s) must have access to legal tax counsel or otherwise be able to demonstrate ongoing compliance with all state, federal, and local laws and regulations.

3.4 Quality and Accountability

The successful Payroll Service Provider(s) will be responsible for accuracy of reporting, for making timely payments to third-party vendors and to government agencies, and for any penalties and interest incurred for omissions, errors, and delays.

3.5 Coordination with the County Governments

The successful Payroll Service Provider(s) must be able to work cooperatively and effectively with the respective county. Most counties currently have the trial court's payroll and personnel data and will continue to administer employee benefit programs.

3.6 Flexibility

The successful Payroll Service Provider(s) must be able to make changes as needed to respond to changed laws and regulations, benefit programs, and payroll deductions.

4.0 INSTRUCTIONS FOR RESPONSE

Vendor proposals should provide straightforward, concise information that will satisfy the requirements of the solicitation document. Expensive bindings, color displays, and the like are not necessary or desired. Emphasis should be placed on conformity to the state's instructions, responsiveness to solicitation document requirements, and completeness and clarity of content.

Please provide an original and **SIX** copies of the proposal signed by an authorized representative of the company, including name, title, address, and telephone number of a person who is the responder's representative.

Proposals must be received prior to **12 p.m., Monday, February 25, 2002**, and include all required attachments. Oral responses will not be accepted.

Include, in your response, complete information about your company and its ability to perform the requested services:

- A. Number of years in business.
- B. Brief history of the firm, including ownership structure and key principals.
- C. List of comparable trial court agencies or other public agencies that have used your services.
- D. List of three to five references that the AOC may contact. List company names, addresses, telephone numbers, and contact persons.
- E. Attach samples of related payroll reports, paycheck stubs, and any other documents appropriate to the success of this project.

4.1 Cost (Fee) Proposal and Additional Instructions

A. Submit a detailed cost proposal showing total cost for each service listed in sections 3.0 through 3.1 using the format in Attachment B (Vendor Cost Proposal) as a guide. The prices provided in this cost proposal will be used in a Master Agreement.

- Column 1: Refers to specific Sections and Items in the RFP.
- Columns 2 – 7 (Headings): In these column headings, insert your price structure breakdown (e.g., 1–50 employees, 51–100 employees, 101–200 employees, etc.)
- Columns 2 – 7: Provide the cost per employee. If a service, function, or option is included in the basic payroll processing costs (section 3.0.A.), please indicate this using “**INC.**” If you do not offer a specific service, function, or option, please indicate this using “**N/O.**”
- Column 8: Indicate the frequency of cost (e.g., per payroll process, monthly, annually, as required, etc.).

- Column 9: Insert one-time costs or costs that are not based on the number of employees.
- For general comments on pricing, or different levels of service, attach additional sheet(s).

B. Include comments on your ability to provide the services in section 3.2.

C. Provide your comments on sections 3.3 through 3.6.

D. Include your price structure and hourly rate(s) for consulting services.

E. List licensing fees (per workstation/location) for product software.

F. List charges for “special payroll reports” created by the vendor.

Prices quoted in the cost proposal should **not include taxes** and be valid for at least **120 days** from the date of submission of the proposal.

It is expected that all service providers responding to this RFP will offer the service provider’s government or comparable favorable rates. Discounts based on number of employees should be clearly delineated.

4.2 Sample Configuration Worksheets (Attachment C)

Complete the five “Sample Configuration Worksheets”; instructions are included with the attachment. Figures quoted in the Sample Configuration Worksheets may be approximate and based upon your past experiences in similar situations and will not be used in a Master Agreement.

The Worksheets are designed to give the vendors a general representation of different payroll configurations found in the trial court system and assist the AOC and the trial courts in scenario comparisons.

4.3 Submission of Proposals

Proposals should be submitted by mail to:
Hazel Ann Reimche, Project Manager
Human Resources Division
Judicial Council of California
Administrative Office of the Courts
455 Golden Gate Avenue
San Francisco, CA 94102-3660

5.0 RIGHTS

The State reserves the right to reject any and all proposals, as well as the right to conduct or not conduct a similar proposal in the future. This request for proposals is in no way an agreement, obligation, or contract, and the State is not responsible for the cost of preparation.

Although it is the intent of the AOC to enter into Master Agreement(s) with Payroll Service Provider(s), acceptance of a proposal by the AOC or satisfaction of the RFP's requirements do not guarantee that the AOC or a trial court will enter into an agreement or contract with the service provider(s). The Master Agreement(s) will provide consistency in pricing for vendor products, services, and options throughout the trial court system. No financial award will directly result from the signing of this Master Agreement(s). The contracted vendors will work directly with the individual trial courts to determine which products, services, or options may be required. The trial courts will then use the terms of the Master Agreement to enter into a contract with the vendor. The decision to use, or not use, a contracted vendor is the responsibility of the trial court.

One copy of a submitted proposal will be retained for official files and become a public record. The service provider(s) selected will be required to sign a completed State of California Standard Agreement Form. Special terms and conditions, as appropriate, will be included in the agreement.

6.0 ERRORS IN THE SOLICITATION DOCUMENT

If a vendor submitting a proposal discovers any ambiguity, conflict, discrepancy, omission, or other error in this solicitation document, the vendor shall immediately provide the state with written notice of the problem and request that the solicitation document be clarified or modified. Without disclosing the source of the request, the state may modify the solicitation document prior to the date fixed for submission of proposals by issuing an addendum to all vendors to whom the solicitation document was sent.

If prior to the date fixed for submission of proposals a vendor submitting a proposal knows of or should have known of an error in the solicitation document but fails to notify the state of the error, the vendor shall propose at its own risk, and if the vendor is awarded the agreement, it shall not be entitled to additional compensation by time or reason of the error or its later correction.

7.0 QUESTIONS REGARDING THE SOLICITATION DOCUMENT

Vendors requiring clarification of the intent or content of this solicitation document or on procedural matters related to it should contact the AOC by mail:

Stephen Saddler
Finance Division
Judicial Council of California
Administrative Office of the Courts
455 Golden Gate Avenue
San Francisco, CA 94102-3660

If a vendor's question relates to a proprietary aspect of its proposal and the question would expose proprietary information if disclosed to competitors, the vendor may submit the question in writing, conspicuously marking it as "CONFIDENTIAL." With the question, the vendor must submit a statement explaining why the question is sensitive. If the state concurs that the disclosure of the question or answer would expose proprietary information, the question will be answered and both the question and the answer will be kept in confidence.

If the state does not concur regarding the proprietary nature of the question, the question will not be answered in this manner and the vendor will be notified.

If a vendor submitting a proposal believes that one or more of the solicitation document's requirements is onerous or unfair, or that it unnecessarily precludes less costly or alternative solutions, the vendor may submit a written request that the solicitation document be changed. The request must set forth the recommended change and vendor's reasons for proposing the change. Any such request must be submitted to: **Stephen Saddler** at the Administrative Office of the Courts prior to: **February 11, 2002.**

7.1 Addenda

The state may modify the solicitation document prior to the date fixed for submission of proposals by faxing an addendum to the vendors to whom the solicitation document was sent.

If any vendor determines that an addendum unnecessarily restricts its ability to respond to the RFP, it must notify **Stephen Saddler** at the Administrative Office of the Courts no later than one day following the receipt of the addendum.

7.2 Withdrawal and Resubmission/Modification of Proposals

A vendor may withdraw its proposal at any time prior to the deadline for submitting proposals by notifying the state in writing of its withdrawal. The notice must be signed by the vendor. The vendor may thereafter submit a new or modified proposal, provided it is received at the Administrative Office of the Courts no later than **Monday, February 25, 2002, 12 p.m.** Modifications offered in any other manner, oral or written, will not be considered.

8.0 VENDOR'S COSTS

Any costs for developing proposals or presentation of a proposal are entirely the responsibility of the vendor submitting the proposal and shall not be chargeable to the state.

9.0 EVALUATION OF PROPOSAL

The Administrative Office of the Courts will review all proposals that are received to determine the extent to which they comply with the solicitation document requirements. The names, titles, locations, and experience of the reviewers or the details of the evaluation process are not available to the vendors. However, the proposals will be evaluated using the following criteria:

- A. Vendor responses to Sections 3.0 through 4.2
- B. Reasonableness of costs
- C. Experience on assignments similar in scope
- D. Expertise in payroll services for public agencies

The AOC may decide to select one or more proposals and invite the vendors submitting them to a product(s) demonstration and a question-and-answer session.

Proposals that contain false or misleading statements may be rejected if in the state's opinion the information was intended to mislead the state regarding a requirement of the solicitation document.

It is absolutely essential that the vendor submitting a proposal carefully review cost information in the proposal, since change in the information will not be permitted after the proposal has been submitted to the Administrative Office of the Courts.

During the evaluation process, the state may require a vendor's representative to answer questions with regard to the vendor's proposal. Failure of a vendor to demonstrate that the claims made in its proposal are in fact true may be sufficient cause for deeming a proposal non-responsive.

10.0 SELECTION PROCEDURES

The Administrative Office of the Courts encourages all payroll service providers to respond to this solicitation document. A vendor does not necessarily need to provide every service listed in the RFP to be considered.

The Administrative Office of the Courts (AOC) will examine all proposals received. The AOC will negotiate with the respondents who have presented, in the opinion of the AOC, the best proposals in an attempt to reach an agreement. If no agreement is reached, the AOC can negotiate with other respondents or make no agreement under this RFP.

11.0 PROPOSED CONTRACT TERMS AND APPLICABLE RULES

Agreements with successful firms will be signed by the parties on a State of California Standard Agreement form and will include terms appropriate to a *professional services contract*. Generally, the terms of the contract will include, but are not limited to: (1) completion of the project within the timeframe provided;

(2) no additional work authorized without prior approval; (3) no payment without prior approval; (4) funding availability subject to Legislature; (5) termination of contract under certain conditions; (6) indemnification of the State; (7) approval by the State of any subcontractors; (8) national labor relations board, drug-free workplace, nondiscrimination, and ADA requirements; and (9) minimum appropriate insurance requirements.

12.0 REJECTION OF PROPOSALS

The state may reject any or all proposals and may or may not waive an immaterial deviation or defect in a proposal. The state's waiver of an immaterial deviation or defect shall in no way modify the solicitation document or otherwise excuse a vendor from full compliance with solicitation document specifications.

13.0 DISPOSITION OF MATERIALS

All materials submitted in response to this solicitation document will become the property of the State of California and will be returned only at the state's option and at the expense of the vendor submitting the proposal. One copy of the submitted proposal will be retained for official files and become a public record. However, any confidential material submitted by a vendor that was clearly marked as such will be returned upon request.

Attachments:

Attachment A: Approximate Employee Counts.

Attachment B: Vendor Cost Proposal Sheets (to be completed by vendor–four pages)

Attachment C: Sample Configuration Worksheets (to be completed by vendor–five pages)