

HRO REQUEST FOR PROPOSAL GUIDE

INTRODUCTION

The HRO Request for Proposal (RFP) Guide is presented by the HRO Today Services and Technology Association Thought Leadership Council for Better Practices as a peer-reviewed informational resource to help buyers better understand RFP development as part of the HR outsourcing process¹. This document:

- Is not intended to be all-encompassing – needs vary by each buyer's service and organizational objectives (or situation) under consideration, procurement requirements, or specific vendor or service line requirements
- Does not replace the need for an HR sourcing advisor or consultant to assist with the consideration, preparation, and execution of the HRO vendor selection and contracting process
- Provides an overview and structure but is not intended to be a comprehensive list that replaces all elements of an RFP.

The HRO Request for Proposal Guide provides a basic outline of the types of information that will be needed to prepare a request for proposal (RFP) for business process outsourcing. There are many RFP forms and formats but most are not specific to HR business process outsourcing. This Guide is presented as a combination of common and recommended HRO practices.

Benefits of taking the time to structure a well thought out and detailed RFP include:

- Providing buyer goals and business drivers to support vendor solutions designed to meet the buyer's HRO goals and objectives of the transformational outsourcing
- Enhancing the opportunity for service

providers to respond with information and pricing that is specific to the described scope of services

- Producing comparable vendor responses
- Reducing vendor non-responses or declines to participate

Cost is an important component of the HRO value proposition. Requesting information based on the supplier's standard services and prices is helpful to evaluate basic offerings. Today's HRO standardized services are designed for efficiency and effectiveness in meeting most buyer needs. Note that adding buyer-specific requirements and customizations will add to the overall cost.

For more information on the HR outsourcing process see the HRO Today Services and Technology Association Thought Leadership Council for Better Practices:

- ¹ HR Outsourcing – Making the Decision and Making it Work – overview of the HR outsourcing process from initial decision making to preparing for transition. This document can be found at <http://www.hrotoday.com/association> under the “tools” section.
- ² Service Catalog – detailed listing of the most commonly outsourced HR services with process definitions and key activities. This document can be found at <http://www.hrotoday.com/association> under the “tools” section.
- ³ Data Collection Guideline – examples of the types of data buyers need to collect for base case and RFP development. This document can be found at <http://www.hrotoday.com/association> under the “tools” section.

HRO RFP TABLE OF CONTENTS

I. Buyer Information

1. Introduction

- Confidentiality and disclosure information
- Definitions of terms
- Company overview
- Current state environment overview
 - Business
 - Human Resources
 - Technology
 - Culture

2. Outsourcing opportunity information

- Objectives for transformation outsourcing¹
- Overview of scope of services information³
(Details detailed buyer requirements will follow in section III.)
 - Included services²
 - Participant population
 - Locations and languages
 - Current technology

Note: Complete data collection³ information may be included as an appendix, see Appendix A Exhibits for suggestions

3. Instructions and general information

- Information for submitting proposals, point of contact information, due dates
- Proposal evaluation criteria, selection process, and timeframe
- Guidance on written proposals (e.g., any forms or formats allowed or required)

II. Supplier Information

1. Supplier company information

- Company name, address, contact information
- Year founded and company history

- Public or private (If private, list equity partners, if any)
- Organization description or business chart

2. Supplier financials

- Annual revenues; overall and by outsourcing services
- Percentage of revenues from outsourcing services
- Percentage of revenues invested in research and development; overall and by outsourcing services
- Percentage of revenues from top ten clients. Also list if any client accounts for 5% or more of revenues.
- List current negative liabilities; if any, explain what impact an unfavorable outcome would have on the company (e.g., lawsuits, fines, regulatory investigations)

3. Supplier client base and references

- Number of HR outsourcing clients
- Client base profile
 - By size; percent small, mid-market, large market
 - By industry segment
 - By geography
- Buyer references and contact information related to the scope of services

4. General staffing information

- Staffing retention rates and trends
- Describe approach to building and maintaining trained staff and subject matter expertise

5. Innovation and improvement information

- Describe approach and activities for innovation and improvement in client services, technologies and operations

III. Buyer Detailed Outsourcing Requirements and Supplier Responses

Note: The buyer provides the detailed requirements as part of the RFP and the vendors adds their responses in the returned submittal.

1. Buyer services scope and statement of work requirements
 - Describe capability to cover scope of services and statement of work
 - Describe capability to meet other client services requirements (if any)
2. Buyer service level agreement (SLA) requirements
 - Attach standard service level agreement for scope of services
 - Describe standard SLA management procedures
 - Describe SLA reporting and issues management process
 - Describe standard service level failure remuneration and remedies
 - Describe if able to meet buyer-specific service levels (if any) and how custom service levels may impact pricing
3. Buyer implementation and transition requirements
 - Describe standard implementation timeline and transition methodologies
 - Describe capability to meet buyer-specific timeframe requirements (if any)
4. Buyer technology requirements
 - Describe capability to meet buyer-specific technology requirements (if any)
5. Buyer staffing requirements (if any)
 - Describe capability to meet buyer-specific staffing requirements (if any)

6. Buyer governance requirements
 - Describe standard governance approach and structures
 - Describe standard customer satisfaction approach and methodologies
 - Describe customer opportunities for broader involvement; e.g., customer advisory panels, road map development, networking, benchmarking, etc.
7. Buyer security and data privacy management requirements
 - Describe standard policies and performance related to security and data privacy
 - Describe capability to meet buyer security and data privacy requirements (if any)
8. Buyer risk assessment and mitigation requirements
 - Describe standard supplier disaster recovery plans and operations
 - Describe client involvement opportunities in disaster recovery plans and activities
9. Other buyer supplier qualification requirements
 - Describe capability to meet required Quality standards (ISO, CMMI, six sigma, etc.)
 - Describe capability and performance and meeting scope of services-related regulatory requirements and compliance

IV. Supplier Detailed Recommended Solution

1. Supplier solution for services
 - Describe recommended products and services
2. Solution for technology
 - Technology (software, architecture, platform, systems, etc.)
 - List third party technology providers (if any)

3. Solution for staffing
 - Describe recommended staffing solution
4. Service delivery network
 - Describe client-facing contact centers for the scope of services; locations, size, languages, and services provided
 - List other service delivery center locations, size, and services provided (e.g., data and back office administrative centers)
 - List third party service delivery partners (if any)
5. Implementation and transition recommendation
 - Describe recommended implementation solution (e.g., timeframes, standard methodology, project management approach)
6. Pricing
 - Detail pricing and fees for the scope of services
 - Detail pricing and fees for implementation and transition
 - Detail pricing approach for change orders and special projects
7. Account management structure and team
 - Describe client-specific account team
 - Describe client opportunities for involvement in account team changes

APPENDIXES

Appendix A

Requestor Provided Exhibits (Examples for illustration purposes)

- A.1 Covered participant population
- A.2 Scope of service and statement of work
- A.3 Historical volumes for covered services
- A.4 Current HR staffing profile
- A.5 Language and location profile
- A.6 Current HR technology inventory
- A.7 Current state service delivery processes
- A.8 Standard and ad hoc reports information

Appendix B

Supplier Provided Exhibits