



Department of Administrative Services  
Improving efficiency, compliance, and workplace performance

# Background Investigative Reports

Alicia Pope, Category Manager, State Purchasing Division,

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PURPOSE: To obtain the Statewide Contract Review Council (SCRC) approval to resource the Background Investigative Reports statewide contract (SWC).

## AGENDA

- What are we Buying
- Current Contract Background
- Spend & Category Profile
- Supply Market Characteristics
- Customer Input
- Sourcing Strategy
- Areas of Opportunity
- Milestones & Next Steps
- Questions



# WHAT ARE WE BUYING

## THE COMMODITY

**Background check** or **background** investigation is the process of looking up and compiling criminal records, commercial records, and financial records of an individual or an organization. Current offerings include:

1. Federal, State & County Criminal History Record Checks - \$5.00 per applicant/per name
2. Sex Offender Registry Checks - \$2.50 per applicant/per search
3. National Criminal History Record Check - \$4.00 per applicant/per name
4. County Civil Record Searches - \$5.00 per applicant/per name
5. Citizenship and Right to Work Verification - \$5.00 per applicant/per search
6. Driving Records (Motor Vehicle Records) - \$1.00 per DL#/per state
7. Credit Reports - \$2.50 per applicant/per Bureau
8. Professional License Verification - \$5.00 per applicant/per license or certification
9. Education Verification - \$6.00 per applicant/per educational institution
10. Employment History Verification - \$6.00 per applicant/per employer
11. Personal/Professional Reference Checks - \$7.50 per applicant/per reference
12. Address History Search - \$3.50 per applicant/per search
13. Social Security Trace - \$1.00 per applicant/per search

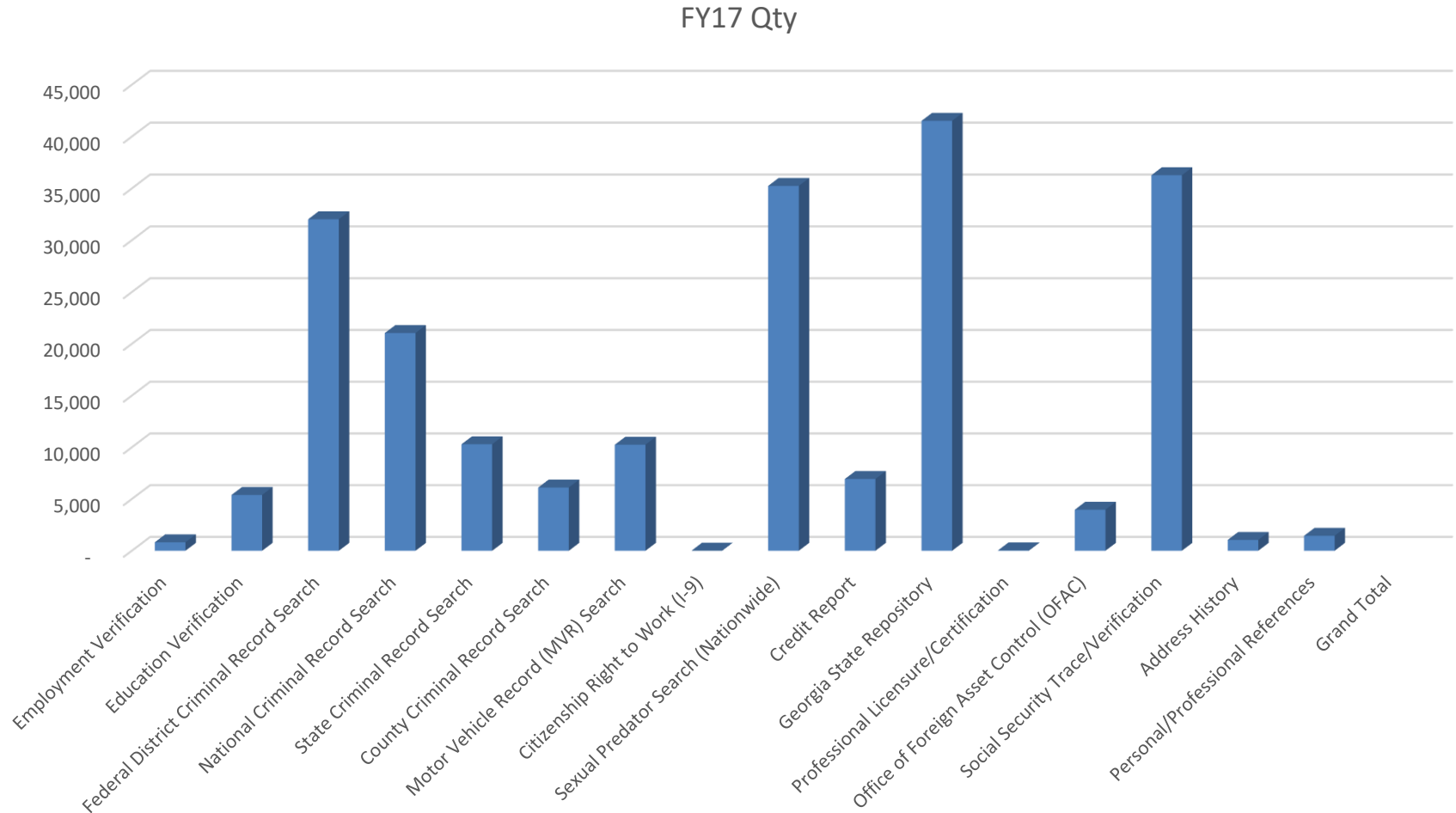


# BACKGROUND

## C U R R E N T C O N T R A C T

- Sourcing Method: eRFP for Background Verification Services for State Employees
- Database International Services aka HR Trucheck - Awarded SWC 90801 on March 2009
- Contract Term: One (1) year base term and four (4) one (1) year renewal options. Currently, exercising 5<sup>th</sup> extension.
- Convenience Contract; 5% Administrative Fee
- Firm Fixed Pricing with Price Escalation
- NIGP Code:
  - ✓ 96130 - Employment Agency & Search Firm Services
  - ✓ 94636 - Credit Investigation & Reporting
- FY16 Spend: \$1,102,540.00
  - ✓ BOR: \$930,508.00 - 84% of Spend
  - ✓ STATE: \$83,756.00
  - ✓ TCSG: \$88,020.00
- FY17 Spend: \$1,301,049.00
  - ✓ BOR: \$1,032,355.00 - 80% of Spend
  - ✓ STATE: \$182,781.00
  - ✓ TCSG: \$77,596.00
  - ✓ Local: \$8,135.00
  - ✓ Off Contract Spend - \$250K - \$500K
  - ✓ Top Users: University of Georgia, Georgia Tech., Department of Transportation, Department of Natural Resources, Chattahoochee Tech., Georgia State University & Kennesaw State.

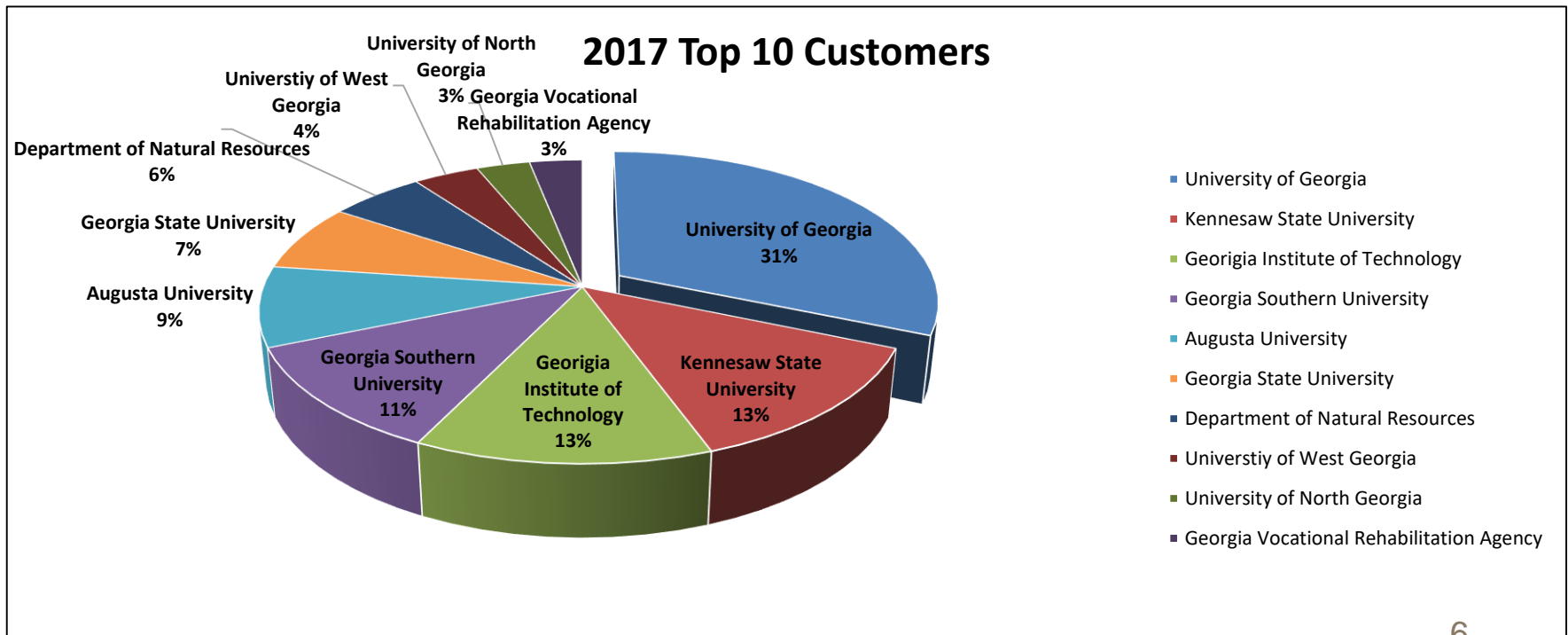
# TYPE OF REPORTS BY VOLUME- FY2017



# Spend Profile (By Fiscal Year)

Fiscal Year (FY)	Spend
2014 Total	\$ 971,910
2015 Total	\$ 924,964
2016 Total	\$ 1,102,541
2017 Total	\$ 1,301,049
Grand Total	\$ 4,300,464

Customers (FY 2017)	Spend
BOR	\$ 1,032,355
State	\$ 182,781
TCSG	\$ 77,597
Local	\$ 8,316
Grand Total	\$ 1,301,049



# MARKET CHARACTERISTICS

## Category Overview

The reference and background checking services industry is mature with low specialization and minimal switching costs, all of which encourage a high level of vendor competition. No one supplier dominates the market, which encourages suppliers to compete heavily on the basis of price.

## Top Suppliers

- First Advantage 20-25%
- Hire Right 5-10%
- Sterling Info-System 5-10%
- ADP <5%

## Industry Growth

Sales are expected to continue increasing in the next three years as employment and the overall economy grow. Buyers benefit from the wide availability of services and high competition.

# CROSS FUNCTIONAL TEAM

DOAS gathered the input, advisement, and assistance from the following Cross-Functional Team members:

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Cross-Functional Team Member	State/Local Entity
1) Terri Gernhardt - <b>ERP System Analyst - Lead</b>	Georgia Institute of Technology
2) LaQuintera Hill - <b>Asst. Vice Chancellor of Human Resource Administration</b>	University System of Georgia
3) Susan Gordon - <b>Human Resource Director</b>	Chattahoochee Technical College
4) Kristen Metakenya & Donna Derby - <b>Human Resource Specialist</b>	Georgia Department of Administrative Services - HRA
5) Emma Harrison - <b>Asst. Director - Employee Services</b>	Georgia College and State University
6) Robert Ford - <b>Human Resource Director</b>	Kennesaw State University
7) Dana Kilpatrick & Dan Nixon - <b>Deputy Human Resource Director</b>	Georgia Department of Transportation



# EVALUATION TEAM

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Evaluation Team Member	State/Local Entity
1)Jill Cantrell - <b>Human Resource Director</b>	Lanier Technical College
2)Donna Derby - <b>Human Resource Specialist</b>	Georgia Department of Administrative Services - HRA
3)Susan Gordon - <b>Human Resource Director</b>	Chattahoochee Technical College
4)Robert Ford - <b>Human Resource Director</b>	Georgia Department of Transportation
5) Daren Duncan - <b>IT Manager - Operations</b>	Georgia Department of Administrative Services - IT
6) Larry Blankenship - <b>Human Resource Director</b>	Georgia Department of Natural Resources
7) Rodney Holden - <b>Asst. Director of Contracts, Compliance &amp; Operations</b>	Georgia State University

# SOURCING STRATEGY

## THE NEW CONTRACT

### SOLICITATION

- RFP Points - Technical 400 / Cost 600
- Primary goal is a **SINGLE** award
- One (1) year base term and four (4) one (1) year renewal options.
- Mandatory SWC
- Administrative Fee - 5%
  - ✓ Training, Technology (Support a System Integration)
  - ✓ Contract Administration
  - ✓ Consistent w/ Existing Rate
  - ✓ Hosted Catalog - Improve Efficiencies
- Price Adjustment - Annual
  - ✓ Written Request Required

### PRICING

- Background Check Services: Firm Fixed Pricing for Core Services
- Percent Discount Off Category List Price for Non-core Services

### EVALUATION FACTORS

- Background/Capabilities
- Product & System Capacity
- Data Security & Compliance
- System Technology
- Customer Services
- Staffing
- Supplier Invoicing & Reporting Techniques
- Implementation
- Marketing

# AREAS OF OPPORTUNITY

## THE NEW CONTRACT

- 1. Include Percent Discount Off Published Catalog List Price as a Cost Category (To Address Off-Contract Spend).
- 2. Include a Supplier's Search Capability and Report Response Time as a Mandatory Scored Requirement.
- 3. Include System Integration with our Applicant Tracking System (ATS) as an Optional Service.
- 4. Change in Customer Interactions - Less Manual more EDI.
- 5. Include Security and Compliance Requirements as a Mandatory Scored Requirement.
- 6. Include P-Card Credit Reporting Requirements as a Mandatory Requirement.

# MILESTONES & NEXT STEPS

- ❑ SWC Review Council Meeting: January 2018
- ❑ RFP Release Date: February 2018
- ❑ 30 Day Supplier Response Time
- ❑ Implementation Timeline: June 2018

# Questions





State Purchasing

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