

DERBYSHIRE COUNTY COUNCIL
PENSIONS AND INVESTMENT COMMITTEE

14 June 2017

Report of the Director of Finance & ICT

Award of Contract LGPS Framework – Actuarial Services

1 Purpose of the Report

To inform Committee of the outcome of the procurement exercise to award a framework contract for Actuarial Services for a period of three years from 1st July 2017, with an option to extend for a further three years.

2 Information and Analysis

It is a statutory requirement of Derbyshire County Council to obtain, from an actuary, a triennial valuation of the Derbyshire Pension Fund's assets and liabilities, a report in respect of the valuation, and a rates and adjustments certificate.

To establish a compliant procurement, officers considered a number of procurement options which concluded that the most appropriate route was to use the National Local Government Pension Scheme (LGPS) Framework. The proposal to use the LGPS Framework was agreed by the Pensions and Investment Committee on the 7th February 2017.

There are four nationally recognised suppliers of actuarial services used by LGPS Funds in England, Scotland and Wales, and each of them is represented on this framework. The suppliers have been through a full procurement process, run by Norfolk County Council, to be selected for the National LGPS Framework; this includes areas such as financial and business standing, quality management and environmental management.

Consequently a procurement exercise using a mini competition process was run through the National Local Government Pension Scheme (LGPS) Framework. The tender opportunity was managed through the Pro Contract tendering portal, published on the 13th February 2017 with a return deadline of 7th March 2017. The four suppliers included on the framework were contacted via email to make them aware of the opportunity. Four tender responses were received by the tender deadline. These were from:

1. Aon Hewitt Limited, Bristol
2. Barnett Waddingham LLP, Glasgow
3. Hymans Robertson LLP, Glasgow

4. Mercer Limited, Liverpool

The tender responses were evaluated on the basis of 35% technical score (based on the response to the questions in the specification), 25% price and 40% presentation and interview. The total scores for each of the four compliant suppliers are tabled below.

Supplier	Total (%)
Aon Hewitt Limited	74.18%
Barnet Waddingham LLP	60.27%
Hymans Robertson LLP	84.80%
Mercer Limited	80.89%

Hymans Robertson LLP achieved the highest score in relation to the overall tender by offering the best value and quality when compared to the other bids. It is therefore recommended that they be awarded the contract.

3 Legal Considerations

Protocol 2 of the Council's Financial Regulations for the use of a non-Derbyshire County Council Framework above £20,000 is a two stage process; approval is required for the use of the framework, followed by a further approval for a "call off" under the Framework. In view of the timescales involved approval was sought to delegate the appointment of a supplier to provide actuarial services from the framework to the Director of Finance in consultation with the Chair of the Pensions & Investment Committee.

4 Financial Considerations

The cost of the services provided will be met initially from the Pension Fund, with specific items recharged to individual employing authorities as appropriate.

5 Other Considerations

In preparing this report the relevance of the following further factors has been considered: human rights, human resources, equality and diversity, health, environmental, transport, property, social value and prevention of crime and disorder.

6 Background Papers

The National Local Government Pension Scheme Framework documentation is held within the Procurement and Systems Section.

7 Officer's Recommendation

The Committee notes that the award of a framework contract to Hymans Robertson LLP, for a period of three years from 1st July 2017, with the option

to extend for a further three years, has been approved by the Director of Finance in consultation with the Chair of the Pensions & Investment Committee.

PETER HANDFORD

Director of Finance & ICT

May 2017