

MUNICIPAL YEAR 2015/2016 - REPORT NO.

**ACTION TO BE TAKEN UNDER
DELEGATED AUTHORITY**

**OPERATIONAL DECISION OF THE
DIRECTOR OF FINANCE,
RESOURCES & CUSTOMER
SERVICES.**

REPORT OF:

Director of Finance Resources &
Customer Services
Contact officer: Liam Preston
Telephone number: 020 8379 5760
E mail: liam.preston@enfield.gov.uk

Agenda - Part: 1	Item:
Subject: Award of Actuarial & Benefit Consultancy Services Contract for the London Borough of Enfield Pension Fund	
Wards: N/A Key Decision No: KD4214	
Cabinet Member consulted:	

1. EXECUTIVE SUMMARY

- 1.1 This is a key decision and is on the key decision list, reference KD4214
- 1.2 Enfield Council (the "Council") used the Norfolk County Council Local Government Pension Scheme ("LGPS") procurement framework (the "Framework") to procure actuarial and benefit consultancy services from one provider for the London Borough of Enfield Pension Fund (the "Fund").
- 1.3 The Council ran a mini competition under the Framework and received tenders from two providers.
- 1.4 The evaluation panel has marked the tenders and would like to appoint Provider X to provide actuarial and benefit consultancy services for the Fund.
- 1.5 The contract term will be three (3) years with two optional one (1) year extensions subject to the agreement of both parties and the satisfactory performance of the provider.
- 1.6 This report seeks approval to award the actuarial & benefit consultancy services contract to Provider X.

2. RECOMMENDATIONS

2.1 It is recommended that the Director of Finance, Resources and Customer Services:

- Notes the decision of the evaluation panel
- Notes that the cost of the contract will vary annually depending on the services required and will be borne entirely by the Fund.
- Notes that the contract term will be three (3) years with two optional one (1) year extensions subject to the agreement of both parties and the satisfactory performance of the provider.
- Authorises the award of the contract to Provider X.

3. BACKGROUND

3.1 The Council as the administering authority of the Fund is required to procure actuarial and benefit consultancy services.

3.2 The Council used the Framework to procure both actuarial and benefit consultancy services from one provider. In order to access the Framework, the Council was obliged to enter into a Deed of Adherence (indicating that the Council is subject to the Framework's Access Agreement), and this was authorised by way of a non-key, operational decision taken on 26/10/2015.

3.3 The Council ran a mini competition under the Framework and received tenders from two providers.

3.4 The providers' written responses were evaluated by an evaluation panel consisting of four members with support from the project manager and corporate procurement. The providers' presentations were evaluated by an evaluation panel of six, consisting of the panel that marked the written responses with two additional members.

3.5 The providers' submissions were evaluated based on Value for Money, Quality and Service Fit. Value for money was allocated a 25% weighting, Quality was allocated a 36% weighting and Service Fit was allocated a 39% weighting. Within the Service Fit category 10% of the 39% was allocated to presentations.

3.6 The evaluation panel recommends the appointment of Provider X as the Fund's provider of actuarial and benefit consultancy services.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 The service is subject to EU procurement regulations, so the Council was required to undertake an OJEU compliant procurement exercise to award the new contract. The Norfolk County Council Actuarial & Benefit Consultancy Services procurement framework was the most cost effective and efficient method of appointing a provider.

5. REASONS FOR RECOMMENDATIONS

- 5.1 Provider X received the highest score.
5.2 Please see part 2 report.

6. COMMENTS OF THE DIRECTOR OF FINANCE, RESOURCES AND CUSTOMER SERVICES AND OTHER DEPARTMENTS

6.1 Financial Implications

- 6.1.1 The cost of the contract will vary on an annual basis depending on the services required.
6.1.2 Please see part 2 report.

6.2 Legal Implications

- 6.2.1 The Council has power under section 111 of the Local Government Act 1972 to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of its functions.
- 6.2.2 Section 1 of the Localism Act 2011 further empowers the Council to do anything that individuals generally may do provided it is not prohibited by legislation and subject to Public Law principles.
- 6.2.3 The Council's Contract Procedure Rules (CPR) allow for the use of frameworks when procuring goods, services and works. By carrying out a further competition in accordance with the terms of the Framework, the Council has procured in accordance with both the CPR and the requirements of the Public Contracts Regulations 2015.
- 6.2.4 The Council has procured external legal advice in relation to the Deed of Adherence, the Access Agreement, the Framework Agreement and the Call-Off Terms and Conditions in relation to this Framework (the Framework Documents), as set out in section 7 below, and also detailed within the operational decision referred to at 3.2 above.

6.2.5 The Call-Off Contract must be in a form approved by the Assistant Director of Legal and Governance.

6.3 Property Implications

6.3.1 None.

6.4 Procurement Implications

6.4.1 Procurement activity has been carried out in line with Contract Procurement Rules.

6.4.2 Framework regulations have been followed.

7. KEY RISKS

7.1 The legal advice in respect of the Framework Documents indicated that once the Council joined it would be deemed to have been party to the Framework since its inception, exposing the Council to historic, as well as ongoing, legal risk. It also highlighted the extent of the indemnity required from Enfield Council. Norfolk County Council was unwilling to make substantial changes to the Framework Documents as even minor changes had to be agreed by all Councils using the Framework and the providers. In order to complete the procurement exercise with sufficient time to undertake a proper transition in the event that a provider other than the incumbent secured the contract, the Council decided to use the un-amended documents. The Framework has been in use for over two years without issue and over 50 local authorities are using LGPS frameworks administered by Norfolk County Council.

7.2 For further information, please see part 2 report.

8. IMPACT ON COUNCIL PRIORITIES

8.1 Fairness for All

8.1.1 Procuring actuarial & benefit consultancy services will ensure that the Fund is able to continue to meet its requirements to its members. This is particularly important given the increase in the number of beneficiaries drawing from the Fund due to the current restructure.

8.2 Growth and Sustainability

8.2.1 A large number of Enfield residents are in receipt of pensions from the Fund. Procuring high quality, cost effective actuarial & benefit consultancy services contributes towards the growth and sustainability of the local economy by ensuring that the Fund remains solvent and that payments are regular.

8.3 Strong Communities

8.3.1 The Fund contributes towards the strength of Enfield's communities by providing a large number of residents with the money they need to live comfortably in retirement. The financial support provided by the Fund enables many residents to take an active part in community life. The procurement of high quality, cost effective actuarial & benefit consultancy services will enable the Fund to continue to support these residents and will continue to ensure that they have the time to support Enfield's communities.

9. EQUALITIES IMPACT IMPLICATIONS

9.1 Corporate advice indicates that an equalities impact assessment is neither relevant nor proportionate for the approval of this report.

10. PERFORMANCE MANAGEMENT IMPLICATIONS

10.1 Contract monitoring of the actuarial and benefit consultancy services contract will be undertaken by the Pensions and Deputyship team. Performance will also be scrutinised by the PPIC.

11. HEALTH AND SAFETY IMPLICATIONS

11.1 None.

12. HUMAN RESOURCES IMPLICATIONS

12.1 None.

13. PUBLIC HEALTH IMPLICATIONS

13.1 None.

Background Papers

- None.

