

	Officer Key Decision
	Report to the Finance Director
AUTHORITY TO AWARD A CONTRACT FROM A FRAMEWORK FOR ACTUARIAL SERVICES FOR THE BRENT PENSION FUND	

Wards Affected:	All
Key or Non-Key Decision:	Key Decision
Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Part Exempt – Appendix 1 is exempt as it contains the following category of exempt information as specified in Paragraph 3, Schedule 12A of the Local Government Act 1972, namely: "Information relating to the financial or business affairs of any particular person (including the authority holding that information)"
No. of Appendices:	Appendix 1 - Name of tenderers (exempt) Appendix 2 -Tenderer's scores
Background Papers¹:	None
Contact Officer(s): <small>(Name, Title, Contact Details)</small>	Sawan Shah Senior Finance Analyst Chief Executive's Department

1.0 Purpose of the Report

- 1.1 This report concerns the contract under the National LGPS Framework for Actuarial Services Primarily in Support of the Local Government Pension Scheme. This report requests authority to award contracts as required by Contract Standing Order 88. This report summarises the process undertaken in tendering this contract and, following the completion of the evaluation of the tenders, recommends to whom the contract should be awarded.

2.0 Recommendation(s)

That the Finance Director:

- 2.1 Approves the award of the contract for Actuarial Services for 3 years with the option to extend for two one year periods to Hymans Robertson LLP under National LGPS Frameworks Lot 1 - Actuarial Services. The total contract value is estimated at £615,000 over the five year term.

3.0 Detail

- 3.1 This contract is for the provision of actuarial advice and valuation work in relation to the Brent Pension Fund. The current contract expired on 30 September 2021. The cost of the contract varies depending on the exact nature of the advice provided. Additionally, a valuation of the pension fund takes place every 3 years which incurs additional costs. Typically, in a non-valuation year the cost of the contract is £85k per annum and in a valuation year it is £180k per annum. The intention is to award a contract for a period of 3 years with an option to extend for a further two periods of 1 year each. The contract is funded by the Brent Pension Fund.

It is proposed that any call-off contract starts on the **21 October 2021**

The proposed contract length is **3 years with the option to extend by up to 2 years on a +1+1 basis.**

The contract value is estimated at £350k for the first 3 years and £615k for the total 5 year period.

The Tender Process

- 3.2 Officers identified the National LGPS Frameworks Lot 1 – Actuarial Services (the Framework”) as the most appropriate means of procuring the Actuarial Services by way of a Further Competition under the Framework (the “Contract”).
- 3.3 In accordance with the Framework rules, officers have conducted a Further Competition from contractors on the Framework. The tendering instructions under the Further Competition stated that the Contract would be awarded on the basis of the most economically advantageous offer to the Council and that in evaluating tenders, the Council would have regard to the following:

Criteria	Weighting
Quality	55%
Price	35%

Social Value	10%
Total	100%

3.4 Tenderers were required to submit additional information providing details of their proposed arrangements for performing the Contract including (but not limited to) the following:

- Quality
 - Reporting
 - Resources
 - Timescales
 - Transition
 - Data and Technology
 - Sustainability of the Local Government Pension Scheme
 - Understanding of the London Borough of Brent
 - Managing Funding Risk
 - Climate Risk
- Price
 - Actuarial Valuation
 - Activity Pricing
 - Financial Reporting date 31 March
 - Financial Reporting date 31 August
- Social Value
 - Strong Foundations
 - A future built for everyone, an economy fit for all
 - A Cleaner, More Considerate Brent

Evaluation process

3.5 The tender evaluation was carried out by 4 officers from the Finance department.

3.6 All tenders had to be submitted electronically no later than 23 September by 4 pm. Tenders were opened on 24 September 2021 and 2 valid tenders were received. Each member of the evaluation panel read the tenders and carried out an initial evaluation of how well they considered each of the award criteria was addressed in the tender.

3.7 A moderation meeting was held on 29 September at 13:30 and the two submissions were moderated by Procurement and in presence of the evaluation panel.

3.8 The names of the tenderers are contained in Appendix 1 (exempt). The scores received by the tenderers are included in Appendix 2. It will be noted that Hymans Robertson LLP was the highest scoring tenderer. Officers

therefore recommend the award of the contract to Hymans Robertson LLP.

- 3.9 Subject to approval to award, it is proposed that the contract will commence on 21 October 2021

4.0 Financial Implications

- 4.1 Part 3 of the Council's Constitution states that the Finance Director has delegated authority to approve the award of contracts for Actuarial Services for Brent Pension Fund valued £615K .
- 4.2 The Council must appoint an actuary as this is a regulatory requirement.
- 4.3 The estimated value of the Contract will be approximately £115k per annum. This estimate is based on current costs. The exact cost will depend on the level and volume of work likely to be requested by the Fund.
- 4.4 The cost of this Contract will be funded from the Pension Fund.
- 4.5 The charge for accessing Lot 1 of the framework is £2k and will be funded by the pension fund.

5.0 Legal Implications

- 5.1 The estimated value of the proposed call off Contract for Actuarial, Services is above the threshold for Services under the Public Procurement Regulations 2015 (the "PCR 2015") and the procurement is therefore governed by the PCR 2015.
- 5.2 Officers recommend the award of a call-off contract from a framework. The PCR 2015 allow the use of framework agreements and prescribe rules and controls for their procurement. Contracts may then be called off under such framework agreements without the need for them to be separately advertised and procured through a full procurement process. Call offs under the framework need to be carried out in accordance with the framework rules, to include using evaluation criteria specified in the framework and utilising the terms and conditions set out in the framework.
- 5.3 The Council's Contract Standing Orders state that no formal tendering procedures apply where contracts are called off under a framework agreement established by another contracting authority where the call off under the framework agreement is approved by the relevant Chief Officer and provided that the Director of Legal, HR, Audit and Investigations has advised that participation in the framework is legally permissible. The Director of Legal, HR, Audit and Investigations confirmed that participation in the relevant

National LGPS Frameworks Lot 1 – Actuarial Services framework is legally permissible.

- 5.4 The award of the contract is subject to the Council's own Standing Orders in respect of Medium Value Contracts and Financial Regulations given the procurement is valued at less than £2 million. The Finance Director has authority to approve the award of the contract using a framework.
- 5.5 As the proposed award is from a framework, there is no requirement for the Council to observe a 10 day standstill period under the PCR 2015 although the award of the contract will be subject to the council's usual call-in process.

6.0 Equality Implications

- 6.1 The Council must, in the exercise of its functions, have due regard to the need to:
- (a) eliminate discrimination, harassment and victimisation
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it,

pursuant to s149 Equality Act 2010. This is known as the Public Sector Equality Duty.

- 6.2 Under the Public Sector Equality Duty, having due regard involves the need to enquire into whether and how a proposed decision disproportionately affects people with a protected characteristic and the need to consider taking steps to meet the needs of persons who share a protected characteristic that are different from the needs of persons who do not share it. This includes removing or minimising disadvantages suffered by persons who share a protected characteristic that are connected to that characteristic.
- 6.3 The Public Sector Equality Duty covers the following nine protected characteristics: age, disability, marriage and civil partnership, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 6.4 The purpose of the duty is to enquire into whether a proposed decision disproportionately affects with a protected characteristic. In other words, the indirect discriminatory effects of a proposed decision. Due regard is the regard that is appropriate in all the circumstances.
- 6.5 The proposals in this report have been subject to screening and Officers believe that there are no adverse equality implications.

7.0 Consultation with Ward Members and Stakeholders

7.1 There is no direct obligation to consult in respect of this tender.

8.0 Human Resources/Property Implications (if appropriate)

8.1 This service is currently provided by an external contractor and there are no implications for Council staff arising from retendering the contract.

8.2 There are no implications to Council property.

9.0 Public Services (Social Value) Act 2012

9.1 The Council is under a duty pursuant to the Public Services (Social Value) Act 2012 (“the Social Value Act”) to consider how services being procured might improve the economic, social and environmental well-being of its area; how, in conducting the procurement process, the Council might act with a view to securing that improvement; and whether the Council should undertake consultation. Officers have had regard to considerations contained in the Social Value Act in relation to the procurement.

9.2 Set out relevant Social Value Act considerations to include reference to social value being 10% of the evaluation score and any social value proposals made by the preferred tenderer.

Relevant documents:

Authority to use the framework report

Report sign off:

MINESH PATEL
Director of Finance