

National **LGPS Framework** for Actuarial, Benefits and Governance Consultancy Services

Introduction and joining instructions

Collaboration
Save time and money
Quick and efficient access
National LGPS Frameworks
Common terms and conditions
Procurement flexibility
Better, faster, cheaper
Local choice

**Actuarial, Benefits
and Governance
Consultancy Services**



Issue 1 - September 2016



National LGPS
Frameworks

By LGPS Funds, for LGPS Funds

Contents

Introduction	3
What is a framework agreement?	4
Why should I use this framework?	6
Who can use the Framework?	9
What services are covered by this framework?	10
Who can provide services under this framework?	14
What is the duration of the framework?	14
How much does it cost and what will I save?	15
How were the service providers chosen and monitored?.....	17
Anything else I need to know?.....	19
How do I join the National LGPS Framework?.....	20
FAQs.....	22
Glossary	29
Contact us.....	31

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Introduction

The National LGPS Framework for Actuarial and Benefit Consulting launched in 2012 was the first national framework of its kind. Over the four years of its operation, 31 LGPS funds from across the UK have joined the original six Founder authorities in participating in the Framework, sharing in savings estimated to reach over £18 million.

This framework is the result of collaboration between Cumbria, Lincolnshire, Norfolk, the Environment Agency, West Midlands Pension Fund and the London Boroughs of Hackney and Tower Hamlets. Procurement, legal and project management support has been provided by Norfolk County Council and Norfolk Pension Fund.

A lot has happened in the last four years and the National LGPS Frameworks Team, working with a new group of Founder authorities (Cumbria, the Environment Agency, Hackney, Lincolnshire, Norfolk, Tower Hamlets and West Midlands pension funds), and supported by procurement and legal specialists from Norfolk County Council, have brought this Framework fully up-to-date to reflect both current needs, and the changing shape, of the LGPS.

Building on the success of its predecessor, the multi-user, multi-provider Actuarial, Benefits and Governance Consultancy Services framework is open to the LGPS and beyond for the procurement of actuarial, benefit consultancy, governance consultancy and specialist project support services from a wide range of qualified providers.

In addition to increasing the content of the Framework, we have also taken the opportunity to update the scope of bodies permitted to use the Framework to allow for the outcome of LGPS pooling, and whilst our guiding principle remains 'By LGPS Funds, for LGPS Funds', such has been the success of the National LGPS Frameworks project, the scope of users has been widened still further to encompass all public service organisations seeking to procure pensions-related services in response to requests for greater access.

As part of their **LGPS Opportunities for Collaboration, Cost Savings and Efficiencies** consultation, the Department of Communities and Local Government recognised that **"there are clear advantages and savings to making use of the National LGPS Frameworks"** and stated that **"Funds should give serious consideration to making greater use of these frameworks."**

Using a framework can save you significant time and money, whilst still delivering a service specified to your requirements, and supporting local decision making and accountability. We hope that you will consider using this procurement route for your actuarial, benefit consultancy, governance consultancy and specialist project support service requirement.

What is a framework agreement?

Frameworks are widely used across the public sector and increasingly in the LGPS. They are proven to be good for services that you can define and have demonstrated that considerable time and cost savings can be made.

A framework is an agreement put in place with a supplier or range of suppliers that enables purchasers to place orders with service providers without running a full tender exercise.

Frameworks are based on large volume purchasing. Aggregating different purchasers' potential needs means individual purchasers can buy goods and services at prices below those normally charged, or with special added benefits and/or more advantageous conditions.

All Local Government Pension Scheme (LGPS) Funds are required to procure professional actuarial, benefit and governance consultancy services.

This means that costly and time-consuming procurement exercises are regularly undertaken across Funds.

Because of this individual Funds may not be receiving either the best service or the best value that may be achievable by working collaboratively.

The National LGPS Framework for Actuarial, Benefits and Governance Consultancy Services reduces the time and cost associated with procurement by offering a facility that has already been competitively tendered.

Framework benefits:

- Easy access to pre-selected, specialist Actuarial, Benefits and Governance Consultancy services
- Collaboration and partnership
- Flexibility
- Best practice procurement
- Agreed terms and conditions
- Efficiency
- Value for money
- Quality of service provision
- Value added services
- No fault break clause

'By LGPS Funds, for LGPS Funds' the National LGPS Frameworks are uniquely open to all LGPS Funds and administering authorities nationally for the procurement of Investment Consultancy, Global Custody Services and Legal Service from a wide range of qualified providers.

It removes the need to run a best practice, OJEU equivalent full tender exercise when procuring a longer term, single supplier relationship. For smaller, one-off pieces of work, the framework has already completed the 'pre-selection' work for users.

Agreed terms and conditions are provided so users can simply 'call-off' the framework to meet their requirements, therefore removing costly and time-consuming legal work from the procurement process.

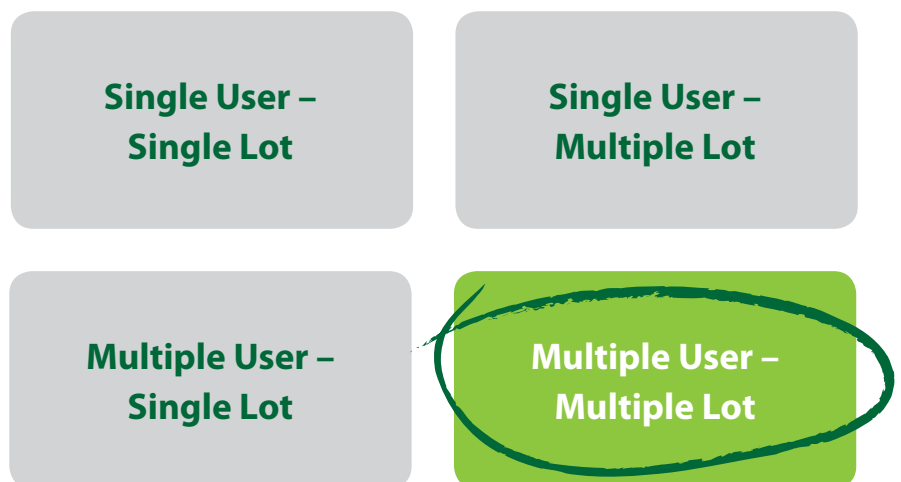
We believe that all LGPS Funds using the framework should benefit from the collaboration, which is why we have negotiated a collaborative rebate for all Funds that let services from the framework.

The National LGPS Frameworks are directly in line with the Government's agenda for LGPS collaboration and delivering greater value for money.

Using the framework will help Funds easily access the marketplace and leverage better prices, while crucially still supporting local decision making and service requirements.

Different types of frameworks

There are several different types of framework arrangements. The National LGPS Framework for Actuarial, Benefits and Governance Consultancy Services is a multiple user, multiple lot framework – i.e. all users identified on page 9 of this document can use the framework to procure a range of services.



Why should I use this framework?

Procuring actuarial, benefit and governance consultancy services can take significant time and money, both for the awarding authority and service provider.

The National LGPS Framework is fully compliant with the Public Contracts Regulations 2015. It reduces the time and costs associated with the procurement process by offering a facility that has already been competitively tendered.

It aims to deliver access at the best possible price to high-quality, efficient and effective actuarial and benefit consultancy services for all LGPS administering authorities and any of their participating employing authorities.

The main benefits include:

Easy access to pre-selected, specialist service providers

The National LGPS Framework provides an easy access route to pre-selected specialist providers who are best placed to deliver actuarial, benefits and governance consultancy services to the LGPS.

Collaboration and partnership

The National LGPS Frameworks have been created in line with the Government's wish for LGPS Funds to seek ways of extending joint working and collaboration. They are helping to realise potential efficiencies and are giving LGPS Funds a clearer voice within the marketplace, along with helping to share knowledge, information, experience and best practice.

Flexibility

National LGPS Frameworks reduce the time and cost associated with a full procurement exercise, which in turn allows you to be more flexible with the planning and running of any tender process via Further Competition. Depending on which Lot meets your requirements, there is also the option to Directly Award.

Best practice procurement

Each of the service providers on the National LGPS Frameworks have been subject to a rigorous procurement process, ensuring they offer the scope and quality of services you require. The pre-agreed terms and conditions offer you contractual safeguards.

Agreed terms and conditions

Terms and conditions are already established and agreed for you and service providers. This removes the need to re-draft and/or renegotiate terms for each procurement you undertake. You have the right to refine, but not fundamentally alter, the terms and conditions to take into account any special requirements.

Efficiency

The framework removes the need for you to conduct full tender exercises or lengthy service provider evaluations, saving the time and costs associated with procurement exercises. Our easy ordering process makes the National LGPS Framework simple to access and use.

Value for money

To harness the opportunity to aggregate spend, ceiling prices with the facility to conduct Further Competition, along with collaborative rebates, ensure that value for money is consistently achieved.

Quality of service provision

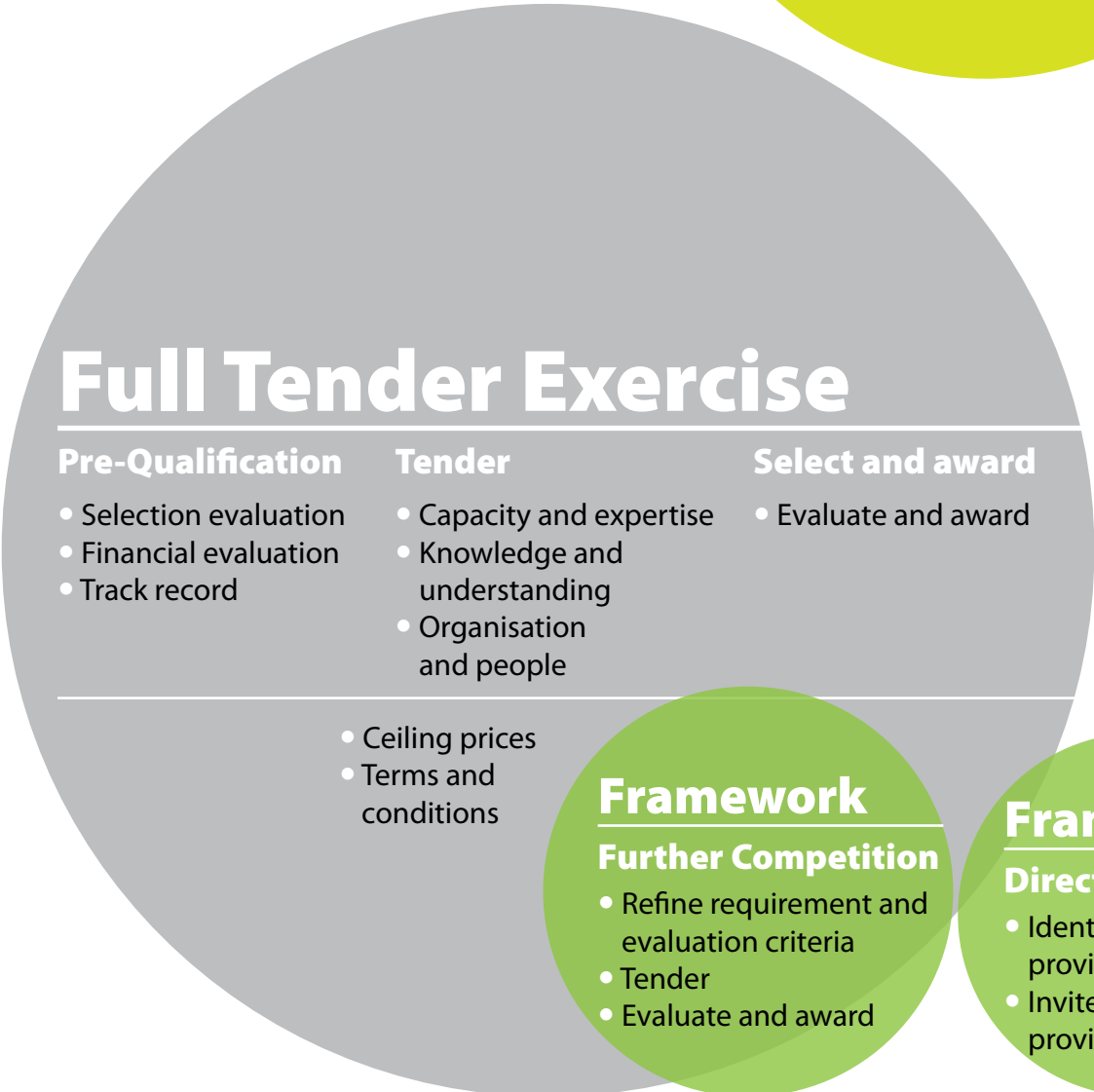
The experience, expertise and commitment to quality of a service provider are assessed at the time of the initial competition. Your satisfaction with the service providers' performance is monitored on an ongoing basis.

No fault break clause

You have the right to suspend or terminate the contract at any time by giving written notice to the service provider.

Framework route vs full procurement

The **National LGPS Framework** for Actuarial, Benefits and Governance Consultancy Services significantly reduces the **time and cost** associated with procurement by offering a facility that has **already been competitively tendered**.



6 - 9 months without framework	reduced to...	4 - 6 weeks with framework	or...	Same day with framework
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Who can use the Framework?

The National LGPS Framework for Actuarial, Benefits and Governance Consultancy Services is a multi-provider framework agreement primarily in support of the Local Government Pension Scheme.

The framework may be used by:

- Any administering authorities and any of their participating employing authorities as defined in the Local Government Pension Scheme Regulations 2013 SI 2013 No.2356 (as amended) and the Local Government Pension Scheme (Administration) (Scotland) Regulations 2008 as amended by SSI 2011/349;
- The Committee (the NILGOSC) and employing authorities as defined in the Local Government Pension Scheme (Administration) Regulations (Northern Ireland) 2009 / SRNI 2009/33;
- The Board of the Pension Protection Fund www.pensionprotectionfund.org.uk;
- Any other administering authority or organisation of a public sector pension scheme or any public sector body that requires pensions related services; and
- Any Common Asset Pool or Collective Investment Vehicle established by or on behalf of an administering authority or group of administering authorities; any Local Government Pension Fund(s) or groups of Pension Funds; or any bodies, organisations or companies established by them for the purpose of operating on a collective basis.

“Enterprising and effective collaborations like this are the type of approach we are keen to encourage.”

Francis Maude

Minister for the Cabinet Office

What services are covered by this framework?

The National LGPS Framework for Actuarial, Benefits and Governance Consultancy Services has four separate Lots covering:

Lot	Description	Number of Service Providers
1	Actuarial Services	4
2	Benefits Consultancy	4
3	Governance Consultancy	5
4	Consultancy Services to Support Specialist Projects	7

Lot 1 – Actuarial Services

Actuarial Services including but not limited to:

Actuarial services including but not limited to:

- Actuarial advice in relation to outsourcing / reshaping service delivery (Including staff transfers and changes in workforce profile)
- Advice on admission agreements
- Actuarial advice to new or existing participating employers
- Attendance at meetings as required by stakeholders
- Support for and supply of scheme communication, advice and training for all associated stakeholders as required including but not limited to scheme members, pension boards, section 101 committees and employers.
- Completion of the triennial Actuarial Valuation exercise in accordance with the LGPS governing regulations (to include preparation of individual valuation positions for each participating employer)
- Funding Strategy Statement preparation and advice
- Providing responses to auditors of administering authorities and participating employer bodies in respect of the financial reporting of Pensions and any other matters arising
- Undertaking Asset Liability Studies (every three years or more frequently if required)

Q.

Can we add in any service requirements at the Further Competition stage, even if they are not covered by the framework’s more general specification?

A.

Yes, as long as these are in areas within the overall scope. You may want to request that service providers give specific examples for any questions you ask.

- Completion of Actuarial Valuation at the date of cessation of a scheduled body or an admission body to assess any termination liabilities arising
- Annual accounting valuations of pension liabilities (in accordance with FRS17 (FRS102) / IAS19 requirements or any such standard as is in force) – including the calculation of opening positions for new employers.
- Preparation of pensions information on behalf of participating employers for inclusion in tender documentation when letting services that includes the transfer of staff who are members of the LGPS
- Calculation of opening positions (level of assets and liabilities) for new participating employers and the calculation of the appropriate employer contribution rate at commencement
- Calculation and actuarial advice relating to the consideration of an appropriate bond or other guarantee either where an authority is entering into a transferee admission agreement with a contracting party or other circumstance
- Provision of appropriate actuarial factors as prescribed by the LGPS governing regulations e.g. strain costs on early retirement.
- Provision of modelling and projections in respect of underlying assumptions and strategy at a fund or employer level
- Provision of funding and contribution strategy advice
- Supporting unitisation and segregation (in support of employer specific funding strategy)
- To act as expert witness (in case of arbitration, regulatory or other).
- Covenant analysis and baseline risk management
- Cashflow Modelling

Lot 2 – Benefits Consultancy

Benefits Consultancy Services including but not limited to:

- Benefit administration advice about outsourcing / reshaping service delivery
- Benefit administration advice to new or existing participating employers
- Attendance at meetings as required by stakeholders
- Support for and supply of scheme communication and information to stakeholders as required including but not limited to scheme members, pension boards, section 101 committees or equivalent and employers.
- Provide pension fund risk management and implementation services
- Process design and implementation
- Advice on administration management structures, service standards and key performance indicators
- Advice on compliance with regulatory requirements
- Policy Development
- Advice on the development and implementation of administration strategy (including, but not limited to, advice on a Pensions Administration Strategy)
- Working with LGPS administration software providers
- Pensions taxation advice
- Internal Dispute Resolution Procedure (IDRP) guidance
- Provision of training

Lot 3 – Governance Consultancy

Governance Consultancy Services including but not limited to:

- Advice and guidance on fund governance
- Support for and supply of scheme communication and information to stakeholders as required including but not limited to scheme members, pension boards, section 101 committees or equivalent and employers.
- Risk Management related to governance and scheme analysis
- Reviews and guidance on governance structures and its effectiveness
- Strategy and Policy Development
- Advice on compliance with regulatory requirement and other governance standards
- Advice and attendance at meetings as required by stakeholders
- Provision of training

Lot 4 – Consultancy Services to Support Specialist Projects

Discrete pieces of specialist, pensions-related project work including, but not limited to:

- LGPS asset management restructuring (“asset pooling”)
- Change management
- Project management
- Regulatory compliance reviews (including, but not limited to, compliance with The Pensions Regulator requirements)
- Data Quality and Validation Audit

Who can provide services under this framework?

There are 7 service providers on the framework, across the four Lots:

Service Provider	Lot 1	Lot 2	Lot 3	Lot 4
Aon Hewitt	✓	✓	✓	✓
Barnett Waddingham	✓	✓	✓	✓
Equiniti				✓
Hymans Robertson	✓	✓	✓	✓
KPMG			✓	✓
Mercer	✓	✓	✓	✓
PWC				✓

In order to be appointed to the framework, providers have demonstrated they have the right expertise and capacity to provide these services.

While each provider successfully passed a minimum quality threshold, they are not all the same.

It is really important that you focus clearly on what you as a Fund need, so you select the most appropriate provider.

What is the duration of the framework?

The National LGPS Framework for Actuarial, Benefits and Governance Consultancy Services commenced July 2016 and is open for 4 years.

Contracts awarded under the National LGPS Framework may be for a period of up to 7 years.

This framework has been established by Norfolk Pension Fund (Norfolk County Council), in collaboration with Cumbria, Lincolnshire, the Environment Agency Pension Fund, West Midlands Pension Fund (City of Wolverhampton Council) and the London Boroughs of Hackney and Tower Hamlets (the “founding authorities”).

There is no obligation to use a framework; however the benefits of the Framework apply to all requirements. You must comply with your local financial regulations.

How much does it cost and what will I save?

Q.

Are pension funds that use the National LGPS Framework bound by the prices set out in the tender responses, or is there scope for price negotiation at an individual fund level?

A.

The prices set out in the framework are the **maximum** rates, but we would expect these to be **reduced** at **Further Competition** or at **Direct Award** if applicable. Please note however that this is competition not negotiation. The defined pricing structure aims to eliminate hidden extras and allow for easy comparison at the evaluation stage.

Joining Fee

You will only need to pay a joining fee once then you will be able to call-off from the relevant Lots of the National LGPS Framework for Actuarial, Benefits and Governance Consultancy Services as many times as you need during its lifetime.

The Joining Fees for each lot are set out in the table below:

Lot/s	Joining fee
All Lots	£5,000
Lot 1 and 2	£4,000
Lot 1 and 3	£3,500
Lot 1 and 4	£3,500
Lot 1	£3,000
Lot 1, 2 and 3	£4,500
Lot 1, 2 and 4	£4,500
Lot 1, 3 and 4	£4,250
Lot 2 and 3	£2,500
Lot 2 and 4	£2,500
Lot 2	£2,000
Lot 2, 3 and 4	£3,250
Lot 3 and 4	£1,500
Lot 3	£1,000
Lot 4	£1,000

The joining fees give you access to the framework and prices (for the relevant Lots) along with all framework documentation, including the pre-agreed terms and conditions and comprehensive guidance notes. You will also benefit from the collaborative rebate structure.

The joining fee for Lots 1 and 2 is higher to reflect their longer-term 'Full Service' nature along with the main benefits of competitive framework prices that can be reduced at Call-off and removing the need for a separate, costly and time-consuming full regulation-compliant procurement exercise.

Lots 3 and 4 have a lower joining fee that covers the administrative costs of the joining process, reflecting the smaller, more specific nature of the work involved.

See the benefits section under **Why should I use this framework?** for more.

Pricing

Ceiling prices for all service providers on the National LGPS Framework for Actuarial, Benefits and Governance Consultancy Services are included in the **Pricing Schedules**.

All prices are maximum rates and are subject to further reduction at **Further Competition** or **Direct Award** if applicable.

Rebates to framework users

The following rebate applies to **all** work awarded and delivered under the National LGPS Framework for Actuarial, Benefits and Governance Consultancy Services. It will be applied to the prices as agreed at **Further Competition** (or **Direct Award** if applicable) and contract award, if these are different to the prices as established under the framework:

- An aggregated cumulative stepped rebate based on the overall value of work awarded to a supplier under this framework, pro-rata'd across all Authorities awarding work to that supplier during the year. This will be due for payment directly from the service providers as at 31 March each year for work completed and invoiced during the year.

Travel and subsistence

Service provider prices are inclusive of travel, subsistence and any other expenses.

Rate review

The **Ceiling Prices** remain fixed for the duration of the Framework. However you have the option to set out in the Call off Terms and Conditions (clause 3.2.7) if you wish the contract price to be fixed for the duration of the contract or if you wish to offer a review date. Any increase would not exceed the percentage change in the Office of National Statistics' Consumer Price Index.

How were the service providers chosen and monitored?

Expectations of quality

As part of the procurement and tendering process, the successful service providers demonstrated proof of the following general expectations:

- A proven track record, extensive knowledge and experience of providing Actuarial, Benefits and Governance Consultancy Services to Local Government Pension Funds
- Strong knowledge and experience of the regulatory framework and operational environment for LGPS Funds and their employer bodies
- Provision of added value to the LGPS and its stakeholders including Pro Bono support
- Excellent communication, partnership and negotiating skills
- Appropriate professional qualifications such as membership of the Institute and Faculty of Actuaries, membership of the Pensions Management Institute (PMI)
- An innovative approach in delivering solutions to Framework users.

In order to be appointed to the framework, providers have demonstrated they have the right expertise and capacity to provide the services detailed on pages 10 to 13.

While each provider successfully passed a minimum quality threshold, they are not all the same.

It is important you focus clearly on what you as a Fund need, so that Further Competition or Direct Award helps you select the most appropriate service provider.

Q.

Under the National LGPS Framework for Actuarial, Benefits and Governance Consultancy Services are providers scored or ranked? If so, are we under any obligation to use the highest scoring provider?

A.

Service providers are not ranked within the framework. All service providers appointed to the framework are deemed capable, and therefore should be treated in the same way. The framework would not oblige you to use any specific service provider. If you wished to make an appointment under the framework you would either **Directly Award** or undertake a **Further Competition**, depending on the nature of your specific requirements.

Dispute resolution

General contract issues should be dealt with between you and the service provider.

Where there are more significant issues or if things get out of hand then you can escalate these to us.

Email us at NationalLGPSFrameworks@norfolk.gov.uk or call us on **01603 495922**.

Anything else I need to know?

Audit

As part of its contract management function, Norfolk Pension Fund has the right to conduct independent auditing of the service providers' processes, procedures and application of their hourly rate.

Financial arrangement between Norfolk Pension Fund and service providers

Service providers are required to pay Norfolk Pension Fund, as the letting authority, a flat rebate of 1% of all contracts let under the National LGPS Framework each year, for work invoiced during the financial year.

This rebate will be used to cover the administration costs of the framework.

The rebate will be calculated against the set-up and management costs of the framework at the end of each financial year. A final surplus will be distributed among letting authorities.

How do I join the National LGPS Framework?

If you would like to know more or to make use of the National LGPS Framework for Actuarial, Benefits and Governance Consultancy Services please complete and return a copy of the **Option Form** (Appendix 1) along with a signed **Confidentiality Statement** (Appendix 2)

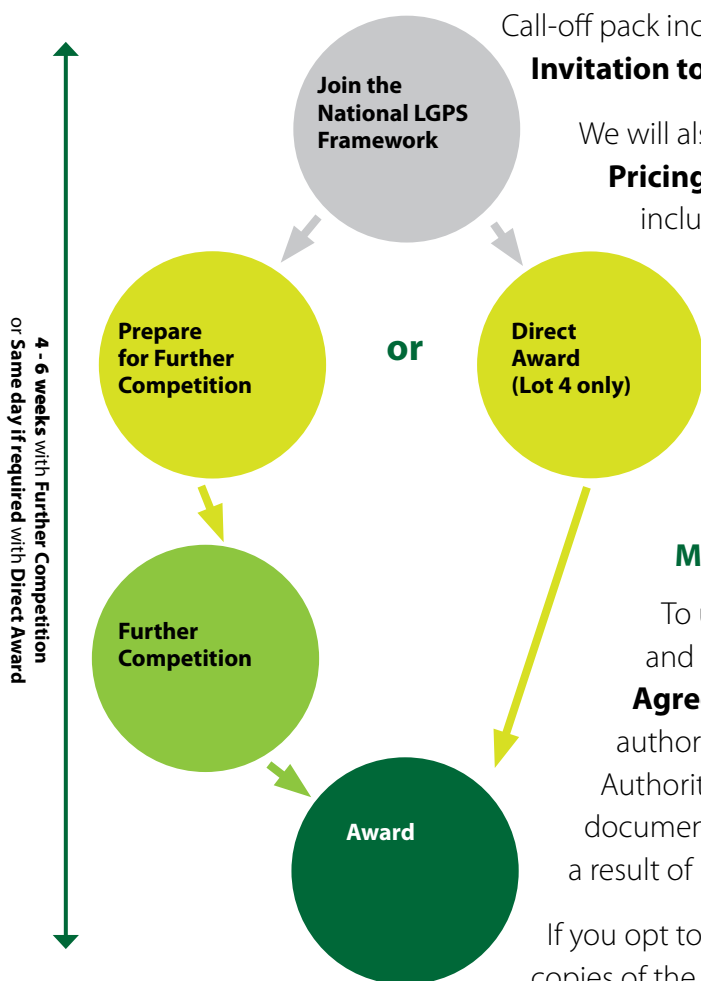
Via this form you can opt to receive more details or to join the framework.

Confidentiality Statement

We cannot share any of the commercially sensitive details of the framework with you until you have completed and returned a **Confidentiality Statement** (Appendix 2).

Once we have received your **Confidentiality Statement** we will send you a set of **Guidance notes**, along with a comprehensive Call-off pack including a **Guide to Call-off** and an **Example Invitation to Further Competition Template**.

We will also send you **Call-off terms and conditions**, a **Pricing Schedule** and **Supplier Catalogues**, which include service descriptions and biographies/CVs.



Members' Access Agreement

To use the National Framework, you must sign and return two copies of the **Members' Access Agreement**. This is a legal document between your authority and Norfolk County Council (the Letting Authority for this framework). The purpose of the document is to regulate any liabilities that may arise as a result of use of the Framework.

If you opt to join the framework we will send you two copies of the **Members' Access Agreement** to sign and return, along with all the other framework documentation. An example of the **Members' Access Agreement** is at Appendix 3. We will also send you an invoice for the Joiners Fee.

If you have already signed a Members Access Agreement for the Actuarial, Benefits and Governance Consultancy Services framework but wish to join another lot, please complete and return **Annex A Notice letter template** which is attached to your signed Members' Access Agreement.

If you have any further questions or need any further detail before using the framework, please contact us and we will be happy to help.

Email: NationalLGPSFrameworks@norfolk.gov.uk

Do you know about the other services available via National LGPS Frameworks?

**Investment
Consultancy Services**

Legal Services

**Global Custody
Services**



If you have a requirement for any of the above services and would like to find out more about National LGPS Frameworks please contact us at **NationalLGPSFrameworks@norfolk.gov.uk** or **01603 495922**

FAQs

Question 1

Who can use the framework?

A. Any administering authorities and any of their participating employing authorities as defined in the Local Government Pension Scheme Regulations 2013 SI 2013 No.2356 (as amended) and the Local Government Pension Scheme (Administration) (Scotland) Regulations 2008 as amended by SSI 2011/349;

The Committee (the NILGOSC) and employing authorities as defined in the Local Government Pension Scheme (Administration) Regulations (Northern Ireland) 2009 / SRNI 2009/33;

The Board of the Pension Protection Fund
www.pensionprotectionfund.org.uk;

Any other administering authority or organisation of a public sector pension scheme or any public sector body that requires pensions related services; and Any Common Asset Pool or Collective Investment Vehicle established by or on behalf of an administering authority or group of administering authorities; any Local Government Pension Fund(s) or groups of Pension Funds; or any bodies, organisations or companies established by them for the purpose of operating on a collective basis.

Question 2

When can I Directly Award and when do I have to run a Further Competition?

A. You can **Directly Award** from Lot 4 'as and when' you have a specific, one-off piece of work; however if you need a longer-term arrangement you will need to run a **Further Competition**.

Lots 1, 2 and 3 are primarily **Full Service** Lots, where you can appoint a single supplier for a long term arrangement. This is done by running a **Further Competition**.

Question 3

What is the difference between the two types of Direct Award?

A. There are two methods of **Direct Award** under the National LGPS Framework for Actuarial, Benefits and Governance Consultancy Services – **Direct Award to Single Supplier** and **Direct Award following Quotes**.

Direct Award to Single Supplier is where you invite the service provider you have identified as most suitable, using the Call-off criteria, to provide the service within a given timescale. If they are unable to supply the service then subsequent service providers in order of suitability should be invited to supply the service within the given timescale.

Direct Award following Quotes is where you write to all the service providers you have identified as capable of providing the service you require and invite them to submit a price in writing for each specific contract to be awarded. You should then choose the service provider which offers best value for money when judged by the Call-off criteria you have set out.

***Direct Award** is not suitable for longer-term arrangements i.e. anything more than a one off piece of work. In these instances **Further Competition** should be used to award your work.*

Question 4

Under the National LGPS Framework for Actuarial, Benefits and Governance Consultancy Services are service providers scored or ranked? If so, are we under any obligation to use the highest scoring provider?

A. Service providers are not ranked within the framework. All service providers appointed to the framework are deemed capable, and therefore should be treated in the same way. The framework would not oblige you to use any specific service provider. If you wished to make an appointment under the framework you would either **Directly Award** or undertake a **Further Competition**, depending on the nature of your specific requirements.

Question 5

If a list of suitable providers is provided (un-ranked), are we able to decide which firms to invite to tender?

A. This depends on the nature of your requirements and which Lots they fall under. Lots 1, 2 and 3 are aimed at longer-term arrangements where you appoint one supplier for a set period of time. You will need to run a **Further Competition** to appoint from these Lots and it is best practice to invite all capable service providers to take part. By nature of their successful award to the framework, all service providers on the National LGPS Framework for Actuarial, Benefits and Governance Consultancy Services are deemed capable. You would need a clear and justifiable reason to exclude any service provider.

Lot 4 is designed for one-off specialist projects and as such contracts can be **Directly Awarded** without the need for **Further Competition**.

Question 6

Will we undertake a mini selection exercise from the list of successful providers?

A. Again this depends on which Lot your requirements fall under. For Lots 1, 2 and 3 you would run a **Further Competition** based on your specific requirements and assessed by you against the criteria you refine for 'call-off' (you can introduce sub-criteria and set the weightings within the boundaries we have set). The format of the **Further Competition** is your decision; however we have included guidance and templates in the **Guide to Call-off** you receive if you choose to return a confidentiality statement.

There is also more information on how to call-off from Lot 4 in this guide, including **Directly Awarding** to a single supplier or inviting all suppliers to **Further Competition**.

Question 7

Are pension funds that use the National LGPS Framework bound by the prices set out in the tender responses, or is there scope for price negotiation at an individual fund level?

A. The prices set out in the framework are the **maximum** rates, but we would expect these to be **reduced** at Call-off stage. Please note however that this is competition not negotiation. The list of ceiling prices is fixed so that there are no hidden charges and prices are comparable and transparent.

Question 8

How much does it cost to join the framework?

A. Please see the joiner's fee details at page 15. You will only need to pay a joining fee once then you will be able to call-off from the relevant Lots as many times as you need during its lifetime. If you wish to join a further Lot you will only need to pay the difference between the lot you have joined and the Lot you wish to join.

Question 9

What do we get for these fees and why are they so different?

A. The joining fees give you access to the framework and prices (for the relevant Lots) along with all framework documentation, including the pre-agreed terms and conditions and comprehensive guidance notes. You will also benefit from the collaborative rebate structure.

The joining fee for Lots 1 and 2 is higher to reflect their longer-term 'Full Service' nature along with the main benefits of competitive framework prices that can be reduced at Call-off and removing the need for a separate, costly and time-consuming full regulation-compliant procurement exercise.

Lots 3 and 4 have a lower joining fee that covers the administrative costs of the joining process, reflecting the smaller, more specific nature of the work involved.

See the benefits section under **Why should I use this framework?** for more.

Question 10

Is there scope for us to agree/alter contractual terms and conditions, or are these essentially set at a framework level?

A. The Public Contracts Regulations 2015 (“the Regulations”) specifically state that the parties should not substantially amend the terms laid down in a framework agreement.

There is an acknowledgement though that you may need to make non-material changes to the terms (e.g. to change the time for supply of the relevant products). However, you are not entitled to make a material change to the terms (e.g. by adding a new service) to the extent that it might affect the identity of the service providers capable of meeting the requirements.

This prevents the distortion of competition by ensuring that service providers are not excluded solely on the grounds that they were unable to meet the original requirements.

Question 11

What variations will be considered non-material?

A. The regulations do recognise that the terms of a framework, or of specific contracts, may need to be supplemented in certain situations.

Where you are running a **Further Competition** under a multi-supplier arrangement, you may supplement the terms.

In these circumstances, you would do so where you need to amend the terms to ensure that they capture the requirements more precisely, or provide additional terms on the basis that these have been referred to in the framework. **This does not allow a fundamental re-write of the terms** but recognises that it is not possible or practical to attempt to make provision for every eventuality, particularly in a multi-supplier environment.

However, there is a requirement that any supplemental terms align with and are based on the terms referred to in the framework agreement or the original request for tender. It was for this reason that careful consideration was given to the development of these documents when setting up this framework.

Question 12

Will we be able to stipulate our own contract termination conditions?

A. You have the right to suspend or terminate the contract with immediate effect at any time by giving written notice to the service provider as set out in the **Call-off terms and conditions**.

Question 13

When we do our own tenders we may have a shortlist in order of highest score and use the interviews to verify the scores from the ITT, plus add an additional score, e.g. for communication. Can we still do this if using the National LGPS Framework?

A. You may wish to include service provider interviews as part of your **Further Competition** process – for example, if you want to meet your potential client relationship manager.

If you decide to include moderation interviews as part of your **Further Competition** evaluation process, you will need to invite all service providers who have realistic chance of winning (You should make it clear in your Invitation to Further Competition document who you will interview e.g. the top three scoring bids who have a realistic chance of winning).

If you choose to use interviews for clarification and to ratify the scores you have awarded as part of the Quality and Service Fit criteria again, you may not want to interview any supplier that does not have a realistic chance of winning. Whichever approach you take, you must clearly state your intentions upfront in your **Invitation to Further Competition**.

Please try to avoid carrying out unnecessary interviews for providers who have no realistic chance of being awarded a contract.

Question 14

How does the Public Services (Social Value) Act 2012 apply to Framework Agreements?

A. Procurers and commissioners must consider the provision of the Act when procuring an above threshold framework agreement for public services. The Act states that Authorities should consider economic, social and environmental aspects that can affect citizens when they are tendering for requirements. This might involve consultation with local groups and the voluntary sector.

Norfolk County Council have assessed this Framework Agreement in the context of the Act, and have determined that it meets the requirement of Economy, in that it is anticipated that it will generate savings for the public purse in the local area of each user pension fund.

It is anticipated that this will be achieved through the rebate structure and increased competition in provision of Actuarial, Benefits and Governance Consultancy services to user pension funds and authorities. In addition, this is an innovative procurement approach for the LGPS as a whole and it is anticipated it will generate savings through speeding up lengthy procurement processes for each user fund.

Glossary

Access agreement

An agreement to join the National LGPS Framework, made between an awarding authority and the letting authority (Norfolk Pension Fund in this instance). Also known as a Deed of Adherence.

Administering authority

An authority that administers a Local Government Pension Scheme (LGPS).

Award criteria

The criteria used to determine whether a service provider can meet the requirements set by an awarding authority.

Awarding authority

An LGPS authority looking to award a contract to a service provider within the National LGPS Framework.

Call-off

The act of an awarding authority procuring a service provider from the National LGPS Framework.

Call-off contract

A legally binding agreement for the provision of services made between the awarding authority and service provider.

Call-off criteria

The criteria used to evaluate service providers at the Further Competition stage.

Ceiling prices

The maximum prices that service providers can charge as part of the National LGPS Framework. These are subject to further reduction at the Call-off stage.

Collaborative rebate

All awarding authorities are eligible for an aggregated cumulative stepped rebate. This is based on the overall value of work awarded to a supplier under the National LGPS Framework, pro-rata'd across all Authorities awarding work to that supplier during the year (across both services). This will be due for cash payment as at 31 March each year for work completed and invoiced during the year.

Competitively tendered

The process of circulating detailed specification of services to a number of potential providers, who submit bids for evaluation ahead of an award being made. In this instance it refers to the process undertaken by Norfolk Pension Fund and the “founding authorities” when appointing service providers to the National LGPS Framework.

Confidentiality statement

A statement to be signed by potential joiners of the National LGPS Framework, agreeing to respect the confidentiality of any commercially sensitive information made available.

Cyclical Valuations

A valuation that is required in designated cycles. In this instance, it refers to the requirement of all LGPS schemes to get an actuarial valuation of their assets and liabilities every 3 years.

Direct award

Where a contract for services is awarded based solely on the information provided in the **Supplier Catalogues** without the need for **Further Competition**.

Further Competition (sometimes referred to as mini-competition)

Competitions run by awarding authorities in order to evaluate service providers when awarding contracts under Lots 1, 2 and 3 as part of the National LGPS Framework.

Initial competition

The procurement exercise that was carried out in order to appoint service providers to the National LGPS Framework.

Invitation to Further Competition

As part of the **Further Competition** stage, awarding authorities will invite service providers to quote for the services they have set out in their detailed requirements.

Joining fee

A one-off fee applicable to all LGPS authorities who wish to join the National LGPS Framework for Actuarial, Benefits and Governance Consultancy services.

Letting authority

The authority that provides access to the National LGPS Framework (in this case Norfolk County Council).

LGPS

The Local Government Pension Scheme.

OJEU

OJEU stands for the Official Journal of the European Union. This is where the contract notice for the National LGPS Framework was published. All public sector contracts over a published threshold are required to be published in the OJEU.

Order Form

The order submitted to the service provider by the awarding authority in accordance with the National LGPS Framework. It sets out the description of the services to be supplied including, where appropriate, key personnel, premises, timeframe, deliverables and quality standards.

Service provider

A company that provides legal services as part of the National LGPS Framework.

Terms and conditions


In this instance, the Call-off terms and conditions that, along with an Order Form, comprise a call-off contract.

Contact us

If you have any questions about the National LGPS Frameworks or would like to know more, please contact us at the following:

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