

ADMINISTRATION DATABASE RE-TENDER

Introduction

1. This report updates the Committee on the approach proposed for the re-procurement of pensions administration database software.

Recommendation

2. The Committee is asked to endorse:
 - a) the proposed procurement approach set out in the report, including the indicative timeline, and
 - b) the delegation to officers to complete the selection process.

Background

3. In December 2014, following an EU compliant procurement, the Council, on behalf of the Pension Fund, awarded a contract to Civica UK Limited (Civica) for the provision of pensions administration software with a contract end date of March 2019
4. The initial period of the contract was for five years with the option to extend for a further two years. The option to extend was taken and the contract continued to March 2021
5. In parallel, the National LGPS Frameworks began developing a new national framework for pensions administration software which would be available to use from the summer of 2020. In preparation for the launch of the new national framework, in September 2019 the Council mutually terminated the contract with Civica and replaced it with a Data and Application Solutions (DAS) framework contract which expires in March 2022.
6. The value of the contract spend is above EU thresholds and Public Contract Regulations apply. The key regulatory principles of openness, transparency and equal treatment of suppliers will underpin the procurement approach.

Proposed Approach

7. The proposal is to run a further competition using the national LGPS framework for pensions administration software.
8. The LGPS community has established multi-use, multi-provider national LGPS Procurement Frameworks which are open for use by all LGPS administering authorities. The frameworks are compliant with Public Contract Regulations and enable LGPS funds to reduce procurement timescales significantly.
9. The frameworks have the advantage of prior vetting such that all suppliers who have been accepted onto the framework are able to deliver all the specified services at a



generic level. Clearly there will be qualitative and pricing variations between suppliers which will be examined as part of the further competition.

10. The Fund has experience of using these national frameworks and was a founding partner in the development of the framework for pensions administration software.
11. The pensions administration system framework was launched in April 2020 and is available until April 2024. Contracts awarded under the framework may be for a period of up to 7 years with the option to extend to a maximum of 10 years.
12. There are three service providers on the framework, these are (in alphabetical order) Aquila Heywood Ltd, Civica UK Ltd and Equiniti. Equiniti are currently classed as a potential provider to the framework and will be eligible to join once they have completed the final build of their new system in the autumn of 2020.
13. All eligible suppliers will be invited to participate in the further competition under the Framework provisions.
14. The framework sets specific requirements for the management of further competitions. The key steps are:

Define service requirements

15. A list of core services for the pensions administration database are included within the framework specification. This comprehensive list will be clarified to reflect local requirements e.g. to specify whether the system should be hosted by the Council's ICT shared service or by the supplier.

Define any special contractual terms

16. The standard framework legal agreement has been reviewed and are consistent with Council requirements but they will be supplemented by the Council's standard terms in relation to data protection and ICT security.
17. It is proposed that, as now, the contract will provide for annual indexation of charges. (RPI is the specified index in the framework).

Set evaluation criteria

18. The framework sets maximum and minimum ranges that can be applied to evaluate different elements of submissions. The ranges are:



Evaluation Criteria	Range %	Indicative Weighting
Quality and Service	Can be between 50% and 80%	70%
Price	Can be between 20% and 50%	30%
Total		100%

19. The evaluation criteria will be further broken down into sub-criteria and weighting proposed for each section. These will be refined with advice from Legal, Procurement and ICT colleagues.
20. Given the operational and technical nature of the services it is proposed that the evaluation and appointment is undertaken by officers, with advice from procurement, legal and ICT colleagues.

Clarification Interviews

21. The option for clarification interviews will be included within the evaluation period of the further competition. Such interviews will only take place if required and will be extended to all viable candidates.

Procurement timeline

22. Officers, with advice from the Director of Governance and Procurement, are developing the detailed documents to be issued to suppliers. The key steps and indicative procurement timeline is set out in the table below:

Task	Proposed Dates 2020
Further competition Issued	Thursday 1 October
Deadline for clarification questions	Thursday 15 October
Issue responses to clarifications	Thursday 22 October
Deadline for further competition responses	Thursday 29 October
Bidders interviews	November tbc
Contract award	December tbc
Service commencement Date	Spring 2021



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