

# **REPORT FOR: Pension Fund Committee**

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**Date of Meeting:** 12 March 2019

**Subject:** Information Report - Investment  
Consultancy Services Procurement

**Responsible  
Officer:** Dawn Calvert, Director of Finance

**Exempt:** No, except for appendix 1 which is exempt from publication under paragraph 3, Part 1 of Schedule 12A to the Local Government Act 1972 (as amended) as it contains information relating to the financial or business affairs of any particular person (including the authority holding that information)

**Wards affected:** All

**Enclosures:** Appendix 1 - Scoring Evaluation

## **Section 1 – Summary**

### **Summary**

This report updates the Committee on the - re- procurement of Investment Consultancy Services using the National LGPS framework as previously agreed by Committee and requests the Committee to note the appointment of Aon Hewitt as the Investment Consultant to the Pension Fund.

**For information**

## **Section 2 – Report**

1. At their meeting on 21 November 2017 the Committee were advised that, taking into account a short term waiver under the Council's Procurement Regulations, the current contract for Investment Consultancy Services, awarded in 2011 to Aon Hewitt Ltd would terminate on 18 September 2017 (subsequently extended to 31 March 2018).
2. The Committee were further advised that an effective and efficient way to let a new contract could be via "the National LGPS framework" arrangements currently administered by Norfolk County Council. Officers felt that it would be most appropriate to investigate the procedure further and recommend an appropriate strategy to the Committee.
3. On 21 November 2017 Pension Fund Committee agreed to extend the current investment management contract and to use the new Norfolk administered framework to re-procure the investment consultant contract.
4. On 27 November 2018 Pension Fund Committee confirmed that officers be instructed in consultation with the Chair of the Pension Fund to shortlist potential investment managers for a Member interview panel, through an "Invitation to Further Competition". At that meeting the Committee also agreed that following interview and panel evaluation, the preferred supplier for the Investment Consultancy contract would be confirmed by the Director of Finance in consultation with the Chair of Pension Fund Committee and reported to the next meeting of Pension Fund Committee.

### **Evaluation Process**

5. Officers finalised the competition arrangements and invited submissions on 19 November 2018 with a closing date of 3 December 2018.
4. The Council's ETendering portal was used for the Invitation for Further Competition process. Five companies on the framework submitted responses.
5. The five submissions were evaluated in accordance with the published evaluation criteria set out in the invitation to further competition.
6. The following price and quality weightings were used to determine the most economically advantageous tender as defined in the Framework agreement

Quality	40%
Service Fit	30%
Price	30%
7. A two stage evaluation process was followed The three highest scoring provider were invited to make a presentation to the interview panel to outline their investment consultancy services proposals

8. Members of the Committee were provided with the confidential submissions and interviewed the three shortlisted suppliers who each made a presentation to the Member/Officer Panel to support their submissions on 11 December 2018.
9. The tenders were evaluated on the basis of the providers proposals for providing an efficient service aligned with the Council's needs.
10. The evaluation result for the successful tender is as follow:

**Investment Consultancy Contract**

	<b>Bidder A</b>	<b>Bidder B</b>	<b>Bidder C</b>	<b>Bidder D</b>	<b>Aon Hewitt</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Quality (40%)	33.2	34.2	37	27.6	38.6
Price (30%)	3.14	15.75	25.51	12.54	19.01
Shortlist Service Fit 30%		22	18		30
<b>Total</b>	<b>36.34</b>	<b>71.95</b>	<b>80.51</b>	<b>40.14</b>	<b>87.61</b>

11. It was agreed that the preferred bidder Aon Hewitt, (Bidder E) be appointed to deliver the contract for investment consultancy services, as this bidder provided the most economically advantageous offer based on the evaluated combined scores for quality, service-fit and price.
12. The new contract is to be let for a period of 4 years from January 2019 for four years with an option to extend the contract for a further 12 months.

### **Financial Implications**

- 13 There are clearly significant financial implications arising from the appointment of professional advisers to the Committee and the advice they give. The cost of joining the framework is £5,000. All procurement related costs will be charged to the Pension Fund.

### **Legal Implications**

- 14 The purchase of investment consultancy services is categorised as a public services contract under the Public Contracts Regulations 2016 (the Regulations) and where the estimated value is over the threshold of £181,302, the Council is required to undertake a regulated EU procurement. However, where the purchase of such services are procured through a Framework Agreement established in compliance with the Regulations the Council is able to purchase services from the Framework Agreement by strictly following the rules set up under the Framework and in accordance the Regulations. The Investment Consultant Framework set up by Norfolk County Council is an EU Compliant Framework. The Director of Commercial Contracts and Procurement must approve access to the Framework and any subsequent call-off contracts from the Framework must follow the Contract Procedure Rules and be authorised in accordance with the Council's scheme of delegation contained within the Constitution.

## **Risk Management Implications**

15 The Pension Fund has its own risk register which includes the risks identified in connection with the appointment of, and the advice provided by, the Committee's professional advisers.

## **Equalities implications**

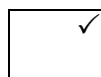
16 There are no direct equalities implications arising from this report.

## **Council Priorities**

17 Whilst the financial health of the Pension Fund directly affects the level of employer contribution which, in turn, affects the resources available for the Council's priorities there are no impacts arising directly from this report.

## **Section 3 - Statutory Officer Clearance**

Name: Dawn Calvert



Director of Finance

Date: 27 February 2019

**Ward Councillors notified:**

**NO**

## **Section 4 - Contact Details**

**Contact:** Iain Millar Treasury and Pensions Manager  
0208 424 1432

**Background Papers – None**