



National LGPS **Frameworks**

**Implementing a National Procurement Framework for
Actuarial and Benefit Consultancy Services**

Jo Quarterman, Project Manager

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Overview

- Background and context
- Why frameworks.....and why national?
- What about Scottish Law?
- Process and organisation
- Outcomes and outputs
- How to use the framework
- Benefits of using frameworks – individual funds
- Benefits of using frameworks – wider LGPS
- What next?





Background and context

Well rehearsed previously...

- Lord Hutton review
- Economic challenges
- Building on other framework initiatives





Why frameworks....

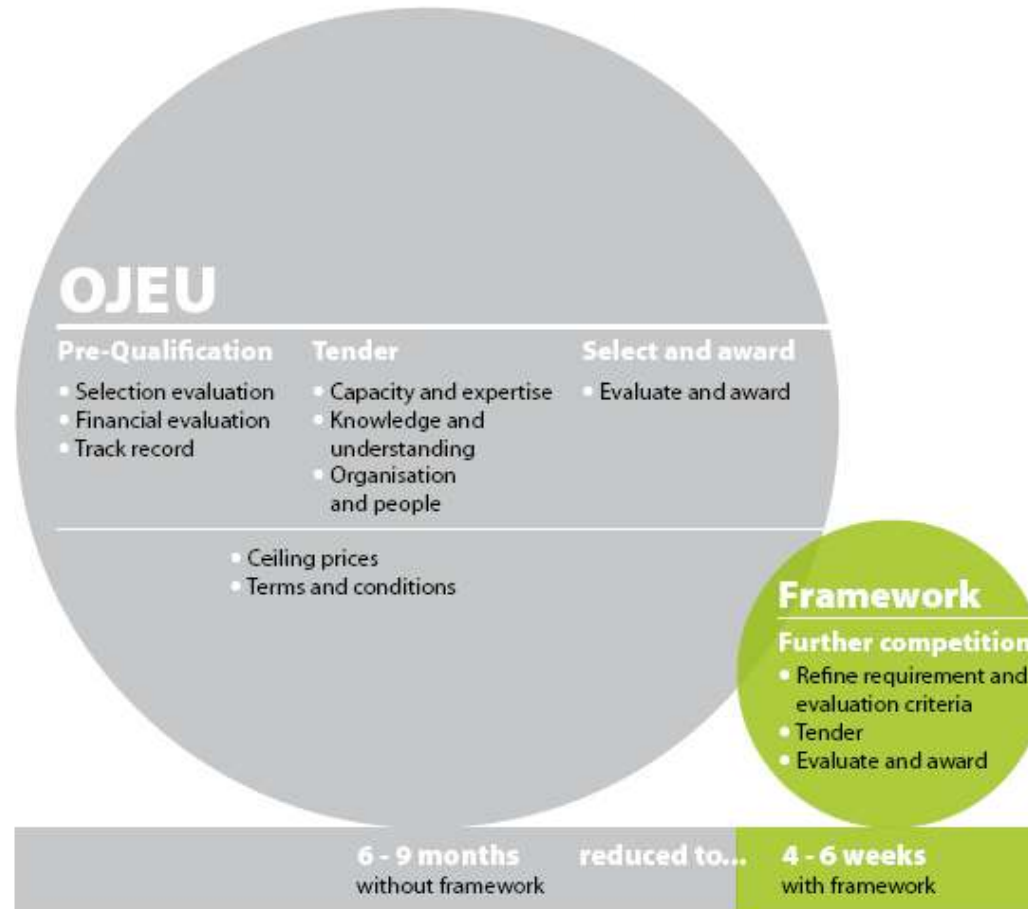
- Proven
- Efficient
- Value for money
- Agreed Terms and Conditions
- Best practice procurement
- Shared benefits

“This type of co-ordinated approach to delivering better outcomes across the whole LGPS is exactly what we need to achieve real value for money in the future.”
Jeff Houston
LGA





Why frameworks....





... and why national?

....why not?

- Greatest potential gain
- No obligation to use
- Retain local service definition
- Retain local decision making and accountability

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

'By LGPS Funds, for LGPS Funds'
the National LGPS Framework is uniquely open to all LGPS Funds nationally for the procurement of actuarial and benefit consultancy services from a range of qualified providers.





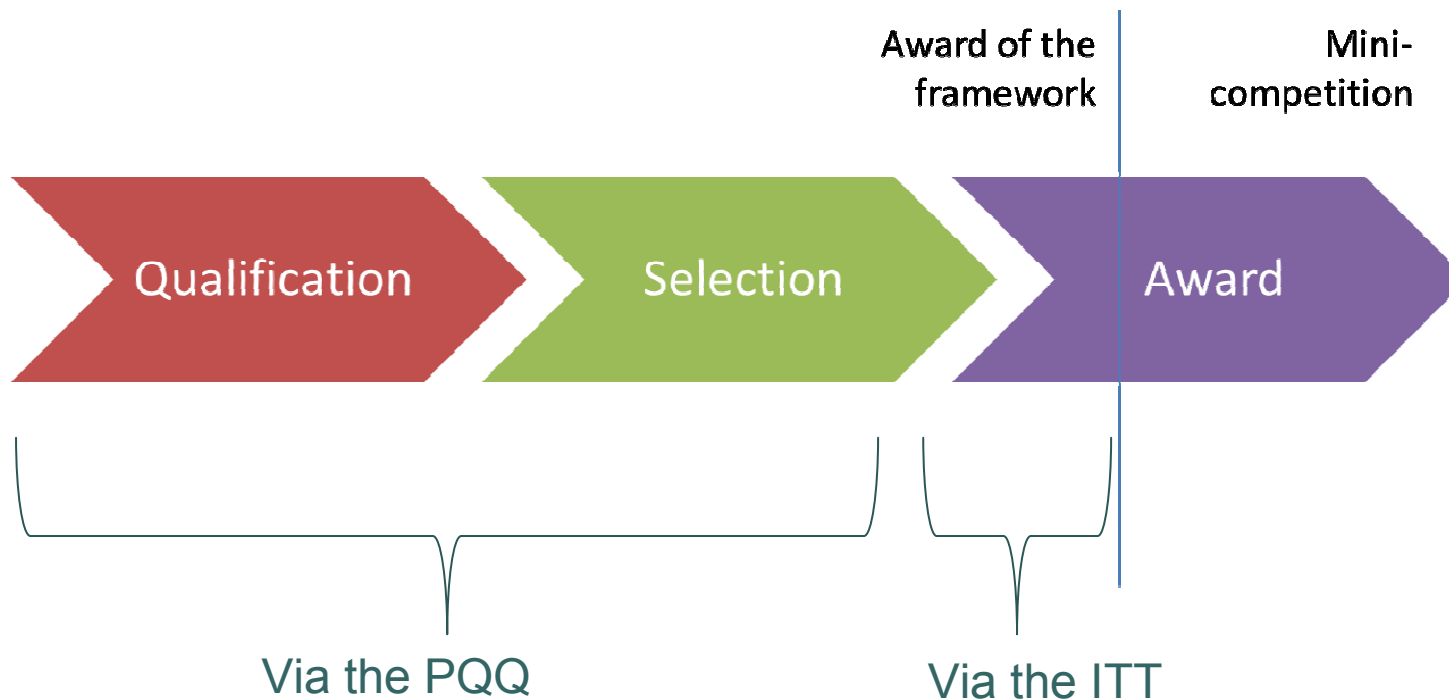
What about Scottish Law?

- European procurement directives apply equally
- Framework rules are the same
- Recognised up front that Scottish Law is a different legal system
- Contracts designed to allow Scottish Funds to take part should they choose to do so:
 - Standard clauses can be inserted
 - T's and C's can be 'tweaked'



Process and organisation

The procurement process





Process and organisation

Project organisation

- 7 Founder authorities
- Legal advisors
- Procurement advisors
- Project Management support





Process and organisation

Project documentation

- Proposal
- MoU
- Plan
- Minutes
- Risk register
- Timesheets
- Case Study ...

Norfolk Pension Fund;
Lincolnshire County Council;
LGSS (on behalf of
Cambridgeshire and
Northamptonshire County
Councils); Derbyshire County
Council; Buckinghamshire County
Council and the London Borough
of Croydon have agreed to work
together.... (excerpt from
Proposal document)

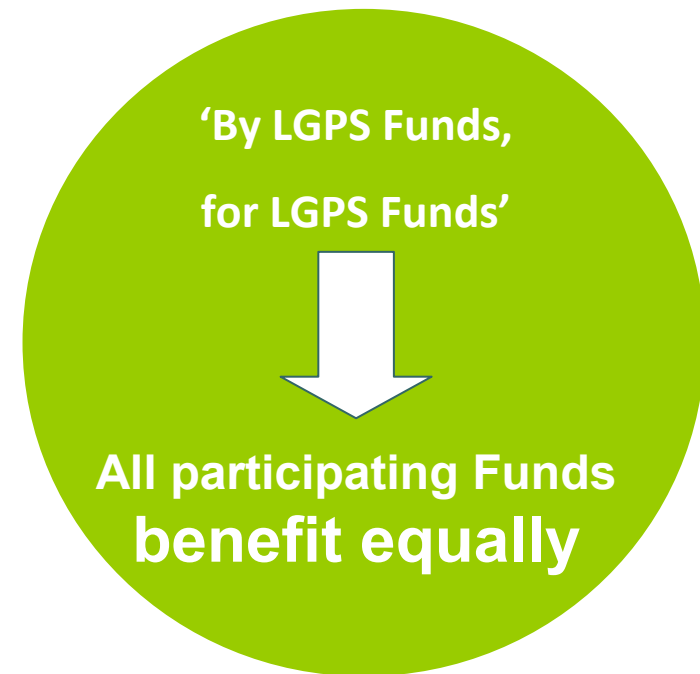




Process and organisation

Project costs

- Shared set up costs
- Income streams
- Running costs
- Surplus





Outcomes and user resources

- Framework for actuarial and benefit consultancy services
- Resources and support for users
- Repeatable process / model for the LGPS

Lot 1

Lot 2

There are 6 service providers on the framework

Service Provider	Actuarial Services	Benefits Consultancy
AON Hewitt	✓	✓
Barnett Waddingham	✓	✓
Hymans Robertson	✓	✓
KPMG LLP (UK)	✓	✓
Mercer Limited	✓	✓
PriceWaterhouseCoopers LLP	✓	✓

More details can be found in the Service Provider Directory at **Appendix 1**, which lists each service provider along with the service or services they offer.

Contracts awarded under the National LGPS Framework may be for up to seven years.

The National LGPS Framework commenced on 7 June 2012 and is open for 4 years.





Outcomes and user resources

- Intro pack - overview, access agreement, confidentiality clause etc
- Joiners pack – user guide, supplier catalogue, templates, exemplars
- Website

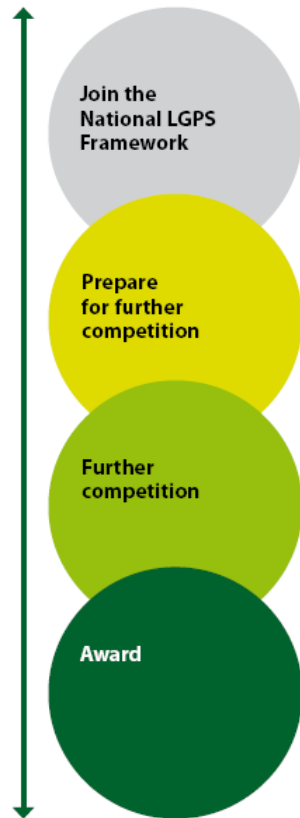
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Who can use this framework?
The National LGPS Framework is open to all LGPS Funds nationally for the procurement of actuarial and benefit consultancy services from a range of qualified providers.

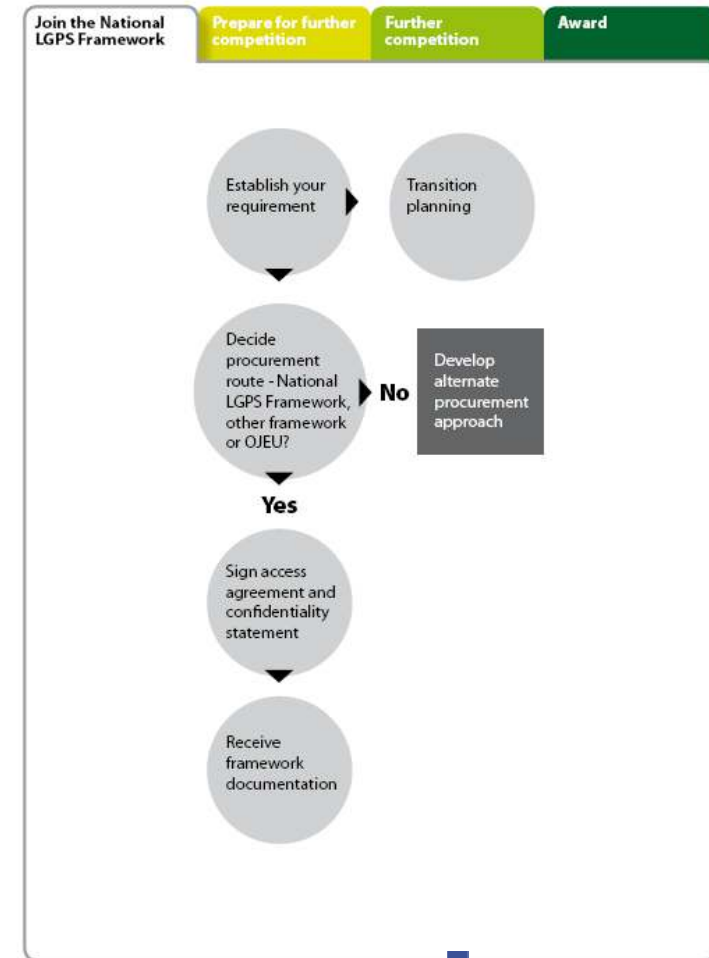


How to use the framework

Join the National Framework

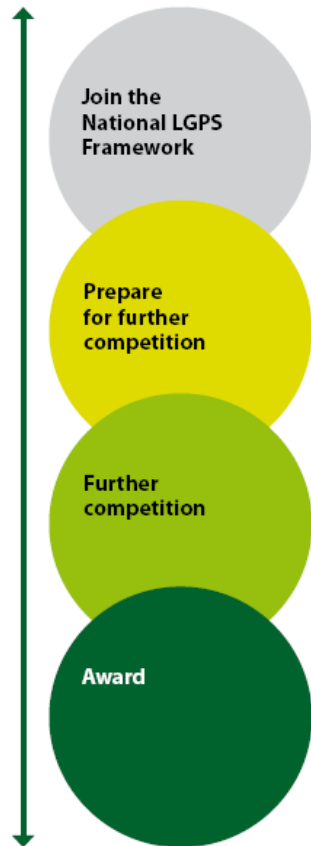


- Members agreement, confidentiality clause, joiners fee (£2k)
- Receive Joiners pack

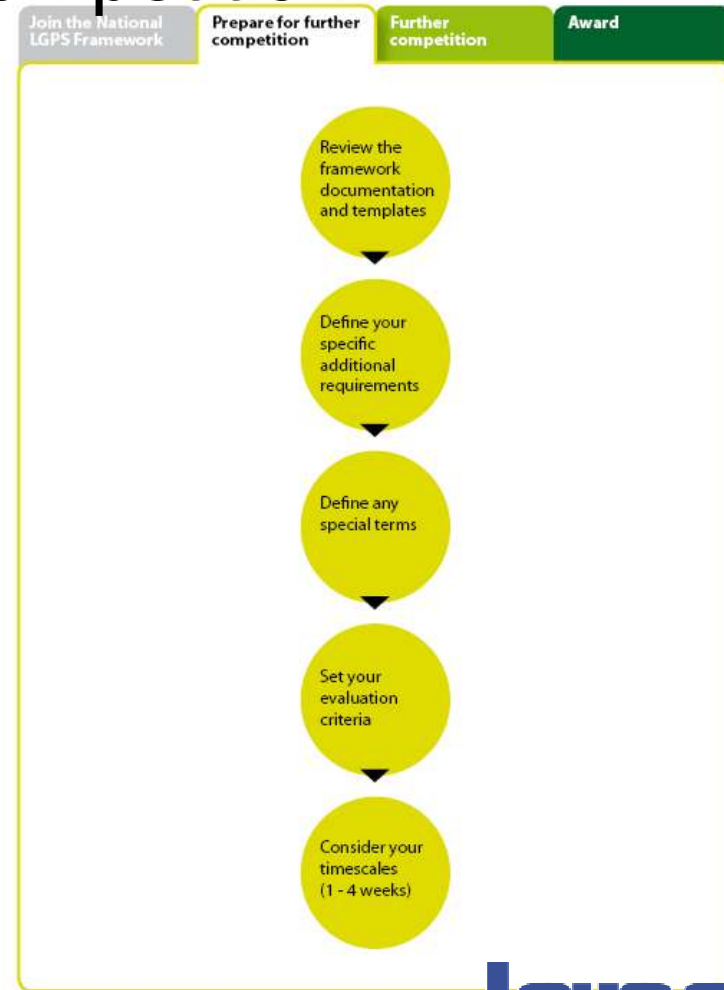


How to use the framework

Prepare for further competition



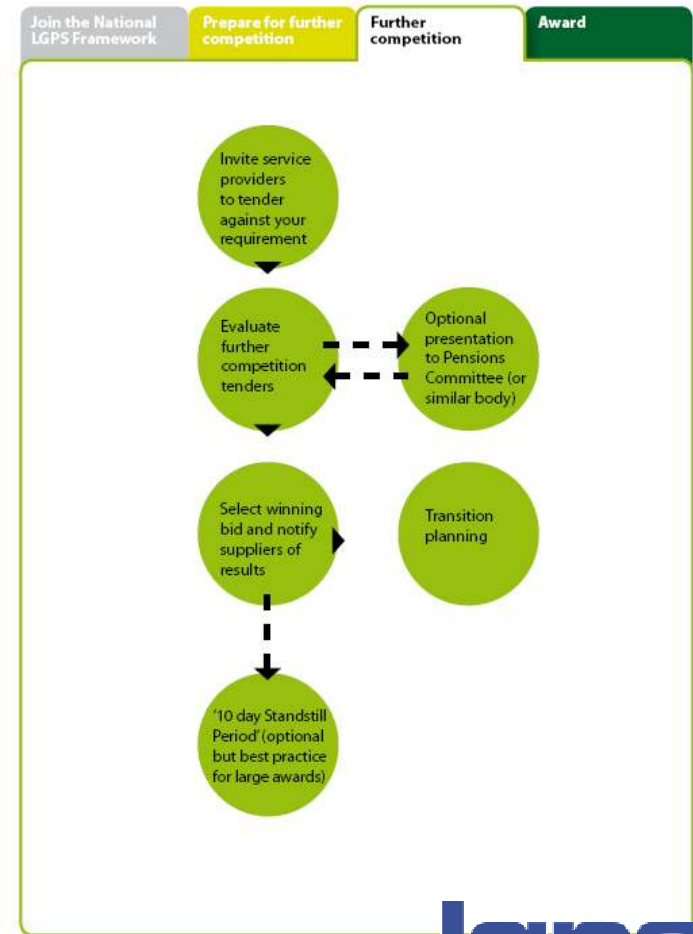
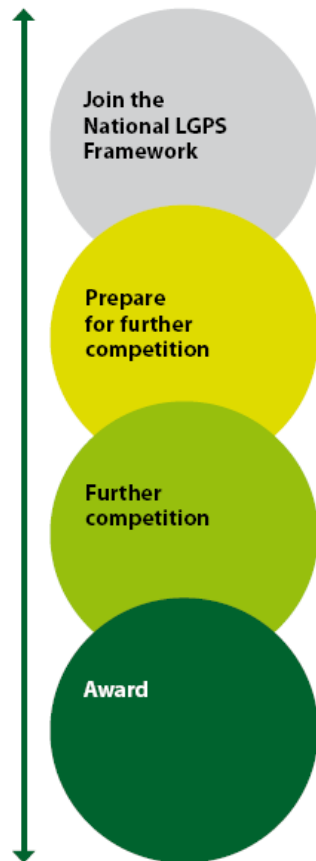
- ITT template
- Guidance on special terms
- Guidance on evaluation criteria



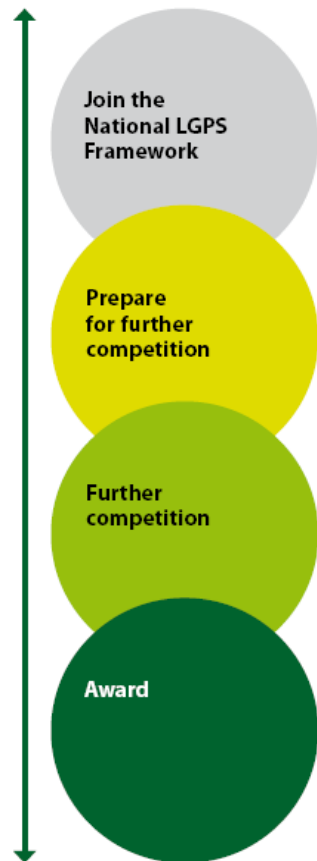
How to use the framework

Undertake further competition

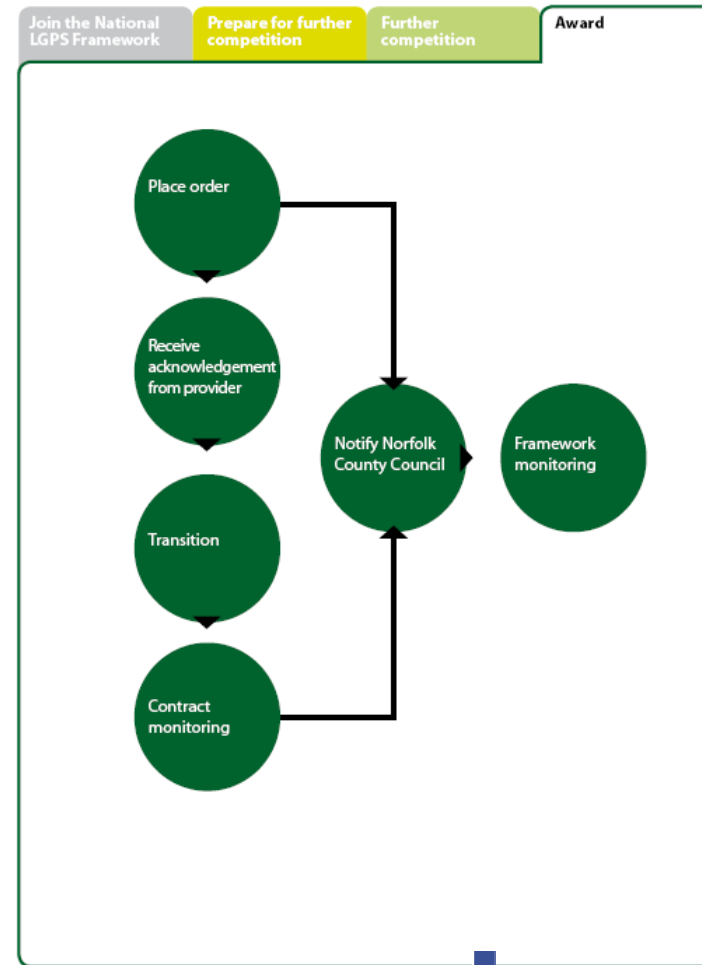
- Don't expect all providers to be invited to each 'beauty parade'



How to use the framework Award



- Standard order form
- Contractual relationship between you and your selected provider





How to use the framework

- Management information
- Contract monitoring
 - Issues
 - Rebate mechanism
- Refresh catalogue annually





Benefits – individual funds

- Shortened procurement exercise
- All framework documentation (T's and C's, user manual, etc)
- Collaborative rebate structure – all Funds benefit
- Ceiling (maximum) prices - **expect** discount at mini competition!
- Mini (further) competition
 - Downward pressure on prices
 - Local service definition; choice
- Added benefits, e.g. user groups





Benefits – wider LGPS

- Efficiency
- Consistency
- Sharing of specialist knowledge / resource
- Stronger voice
- True collaboration
- Savings
- Repeatable model





What next?

- Investment consultancy
- Custodian Services
-?





Review

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- **Questions?**





Key Take-away

- You can go from thinking about needing an actuary to appointing in just 4 weeks, rather than a 6 month OJEU process
- You can still include your own specific requirements, do beauty parades etc
- It will cost you a lot less than the estimated £40,000+ for a full OJEU procurement

NationalLGPSFrameworks@norfolk.gov.uk



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Thank you

- Thanks for your time
- Further questions – please get in touch
- Intro packs to take away
- Electronic copies of documentation

Contact details:

NationalLGPSFrameworks@norfolk.gov.uk

Jo.Quarterman@norfolk.gov.uk

Tel: 01603 223950



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