

Report to: **Pension Committee**

Date: **12 January 2016**

By: **Chief Operating Officer**

Title of report: **Appointment of the Investment Consultancy, Actuarial and Benefit Consultancy Services providers.**

Purpose of report: **The report outlines the outcomes of a procurement exercise carried out by the Appointments Panel under delegated authority with a view to appoint service provider(s) regarding Investment Consultancy Services, and Actuarial and Benefit Consultancy Services.**

RECOMMENDATIONS – The Committee is recommended to:

- 1. note the award of contract for Investment Consultancy, Actuarial and Benefit Consultancy Services to Hymans Robertson until 1 February 2020 subject to one year extension.**
 - 2. authorise the Chief Finance Officer to finalise terms and conditions of the appointment and the Deputy Chief Executive be authorised to complete the necessary agreement.**
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1. Introduction

1.1 The contract for Investment Consultancy, Actuarial and Benefit Consultancy Services to the Pension Fund expires on 1 February 2016 having been previously extended as far as permissible under the current arrangements. At the September 2015 meeting of the Pensions Committee, it was agreed that the contract should be retendered using the National LGPS Framework agreement. In tendering separately for these appointments, the Council fully complies with the Myners principle, as noted in the Statement of Investment Principles, of tendering for separate contracts for actuarial/benefits, and investment consultancy services.

1.2 All LGPS Funds are required to seek professional advisors, including the appointment of a suitably qualified Actuary. Hymans Robertson is the appointed supplier by the Appointments Panel, selected using the National Local Government Pension Scheme (LPGS) Consultancy Framework. The Investment Consultancy, Actuarial and Benefit Consultancy Services contract will run up to 1 February 2020 subject to a year extension.

2. Tender and Evaluation Process

2.1 The Invitations to quote were made through the National Local Government Pension Scheme (LPGS) Investment, Actuarial and Benefit Consultancy Framework. Four applications were received for the Actuarial & Benefits Consultancy Services, and four applications for the Investment Consultancy Services, which were assessed by the Appointments Panel supported by the Council's Procurement Service.

2.2 Bids were received from companies signed up to the national framework, these were:

- the Actuarial and Benefit Consultancy Services –
 - AON Hewitt
 - Barnett Waddingham
 - Hymans Robertson LLP
 - Mercer Limited

- the Investment Consultancy Services –
 - Aon Hewitt
 - JLT Consulting
 - Hymans Robertson LLP
 - Mercer Limited

2.3 The submissions/responses to the invitation to quote were evaluated and scored in accordance with the National LGPS Framework consultancy services published evaluation criteria's as set out in the invitation to quote, i.e., Quality 40%; Price 40% ; and Presentation 20%

2.4 The elements assessed in each category were different for the three contracts being let – i.e. different interview questions were asked to assess providers re the actuarial and benefit consultancy services than those asked to assess for the investment consultancy services.

2.5 The suppliers demonstrated that they complied with the specification, and Hymans Robertson provided the most economically advantageous offer based on the evaluated combined scores for price, quality and presentation.

3. Financial Implications

3.1 It is acknowledged that spend levels for Investment Consultancy, Actuarial and Benefit Consultancy Services will vary greatly from year to year depending on what activities are commissioned to the Fund's consultants. Price payable is as outlined in Hymans Robertson's bid taking up the fixed fee option (re investment consultancy services) with all other work outside the fixed fee work charged at the rates set out in the bid and quotes provided.

3.2 The cost of the Investment Consultancy, Actuarial and Benefit Consultancy Services are charged to the Pension Fund.

4. Conclusion and reasons for recommendations

4.1 The report outlines the outcome of a procurement exercise carried out by the AppointmentS Panel under the Pensions Committee delegated authority with a view to appoint services providers concerning the Investment Consultancy, Actuarial and Benefit Consultancy Services to support/advise on actuarial/strategic aspects of the pension fund. Hymans Robertson is the recommended supplier selected using the National Local Government Pension Scheme (LPGS) Investment Consultancy Framework and the contract will run up to 1 February 2020 subject to a year extension.

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Local Member(s):
 All

Background Documents
 None