

# National **LGPS Framework** for Stewardship Advisory Services

## Introduction and joining instructions

**Stewardship  
Advisory Services**

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



Issue 2 – December 2017

National LGPS  
**Frameworks**

By LGPS Funds, for LGPS Funds

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# Introduction

To support pools and administering authorities in their efforts to respond to the increased focus on responsible investment, and in response to strong demand from across the LGPS, the National LGPS Frameworks team has worked with Founders from The Environment Agency, City of Wolverhampton Council, City of Edinburgh Council, London Borough of Hackney, Bradford Metropolitan District Council, Lancashire County Council, Lincolnshire County Council, Nottinghamshire County Council, Norfolk County Council, Suffolk County Council and Wirral Borough Council to develop this new framework.

A procurement framework is an agreement put in place following a full European Union (OJEU) compliant competitive tender process with a provider or range of providers that enables buyers to place orders for services without running lengthy full tendering exercises.

Procurement 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.

The National LGPS Frameworks for Stewardship Advisory Services is a multi-provider, multi-lot framework. Lots are used to divide the categories within a single procurement process, allowing for multiple specialist providers to be appointed across the framework.

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

To procure a longer term, single supplier relationship through a framework, users simply have to run a Further Competition. For smaller, one-off pieces of work, the framework has the option to Direct Award.

Terms and Conditions have been pre-agreed with all the providers, therefore removing costly and time-consuming legal work from your procurement process. Allowing users to 'call-off' the framework to meet their requirements,

**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.**

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.”**

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 users easily access the marketplace and leverage better prices, while crucially still supporting local decision making and service requirements.

All users identified on page 16 of this document are able to use the Stewardship Advisory Services Framework.

# 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.

With the increased focus on responsible investment that forms part of the LGPS pooling agenda, there will be an increasing requirement for all Local Government Pension Scheme (LGPS) Funds to procure a range of Stewardship Advisory Services to support this activity

This means that complex, costly and time-consuming procurement exercises being 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 Stewardship Advisory 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 Stewardship Advisory 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.**

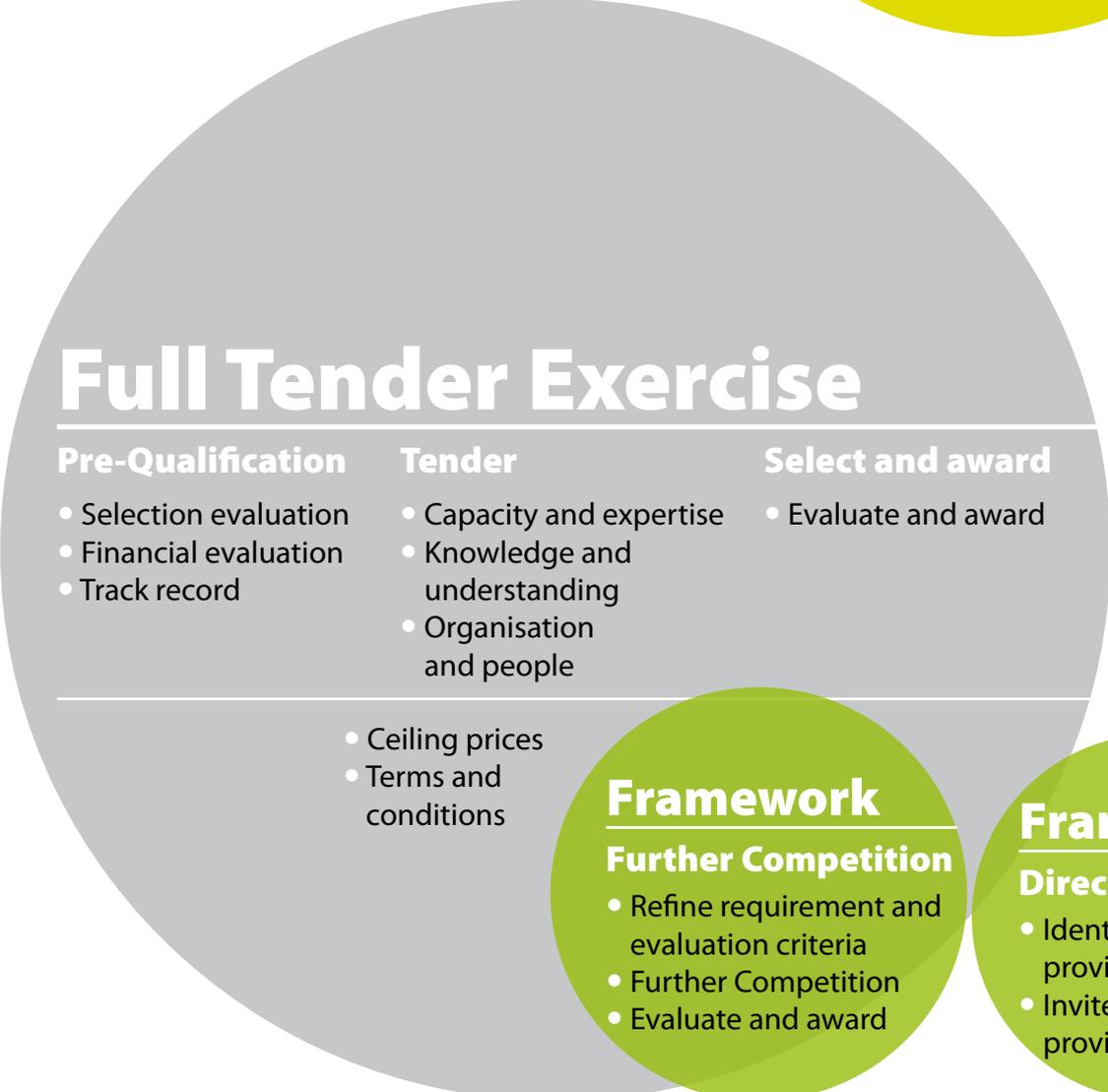
The National LGPS Frameworks are directly in line with the Government's agenda for LGPS collaboration and delivering greater value for money.

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

There are several different types of framework arrangements. The National LGPS Framework for Stewardship Advisory Services is a multiple user, multiple lot framework. All users identified on page 16 of this document are able to use the framework to procure a range of services.

# Framework route vs full procurement

The **National LGPS Framework** for Stewardship Advisory Services significantly reduces the **time and cost** associated with procurement by offering a facility that has **already been competitively tendered**.



|  |                      |                                      |              |                                   |
|--|----------------------|--------------------------------------|--------------|-----------------------------------|
| <b>6 - 9 months</b><br>without framework | <b>reduced to...</b> | <b>4 - 6 weeks</b><br>with framework | <b>or...</b> | <b>Same day</b><br>with framework |
|--|----------------------|--------------------------------------|--------------|-----------------------------------|

All the stages in the grey circle have been undertaken by the National LGPS Framework founders in setting up the Framework. All users need to do are the steps in the green circles.

# Why should I use this framework?

Procuring Stewardship Advisory 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 Stewardship services.

## **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 well placed to deliver specialist 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 savings, 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 Direct 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.

# What services are covered by this framework?

The National LGPS Framework for Stewardship Advisory Services has five separate Lots covering:

| Lot | Description                            | Number of Service Providers |
|-----|--|-----------------------------|
| 1   | Voting Services                        | 4                           |
| 2   | Engagement Services                    | 6                           |
| 3   | Voting and Engagement Services         | 5                           |
| 4   | Stewardship Research and Data Services | 5                           |
| 5   | Stewardship Related Project Services   | 5                           |

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.

## Lot 1 – Voting Services

### Voting Services including but not limited to:

- Assisting in the formulation of agreed voting templates in line with client requirements
- Delivery of voting execution and voting related engagement in line with client policies
- Providing support on voting and voting related engagement issues
- Identifying key stewardship risks within client portfolios
- Identifying industry developments which may impact upon client policies and reputation
- Advising on best practice in voting policy and execution
- Supporting the integration of stewardship best practice into investment processes and decision-making (in respect of both internal and external management)
- Analysis and reporting of trends in voting behaviour and activity
- Post-voting reporting of key analysis and trends
- Analysing the effectiveness of active ownership policies
- Benchmarking fund manager voting intentions relative to the client's voting policy

## Service Providers

### Lot 1

- GES Investment Services
- Glass Lewis Europe Ltd
- Pensions & Investments Research Consultants Ltd (PIRC)
- Robeco Institutional Asset Management B.V

### Lot 2

- BMO Global Asset Management
- Ethical Investment Research Services Ltd (EIRIS)
- GES Investment Services AB
- Hermes Equity Owner
- Pensions & Investments Research Consultants Ltd (PIRC)
- Robeco Institutional Asset Management B.V

### Lot 3

- BMO Global Asset Management
- GES Investment Services AB
- Hermes Equity Owner
- Pensions & Investments Research Consultants Ltd (PIRC)
- Robeco Institutional Asset Management B.V

### Lot 4

- Ethical Investment Research Services Ltd (EIRIS)
- FTSE Russell
- MSCI ESG Research Inc.
- Oekom Research
- Sustainalytics UK Ltd

### Lot 5

- Ethical Investment Research Services Ltd (EIRIS)
- Mercer Ltd
- Oekom Research
- Pensions & Investments Research Consultants Ltd (PIRC)
- Sustainalytics UK Ltd

- Supporting clients with stewardship-related compliance e.g. UNPRI, UK Stewardship Code etc.
- Supporting clients with internal and external communication with regards to stewardship policies
- Identifying opportunities for clients to collaborate to secure more cost-efficient and effective voting outcomes

## Lot 2 – Engagement Services

### Engagement Services including but not limited to:

- Assisting the client to engage with investee entities across the portfolio as defined by the client
- Identifying and prioritising fund engagement activities by issue and company
- Identifying key engagement risks within client portfolios
- Identifying the optimal engagement strategy in line with the clients investment portfolio
- Identifying opportunities for clients to collaborate to secure more cost-efficient and effective engagement outcomes
- Undertaking engagement activity on behalf of clients.
- Supporting the client’s external fund manager monitoring efforts
- Supporting the integration of engagement best practice into investment processes and decision-making
- Supporting the client in their engagement with policy-makers and regulators with regard to active ownership
- Provision of ongoing training for clients in relation to engagement
- Provision of regular monitoring reports and analysis of engagement activities undertaken
- Analysing the effectiveness of engagement activity
- Supporting clients with stewardship-related compliance e.g. UNPRI, UK Stewardship Code etc.
- Supporting clients with internal and external communication with regards to engagement policies

### **Lot 3 – Voting and Engagement Services**

#### **Voting and Engagement Services including but not limited to:**

- Assisting in the formulation of agreed voting templates in line with client requirements
- Delivery of voting execution and voting related engagement in line with client policies
- Providing support on voting and voting related engagement issues
- Identifying key engagement and stewardship risks within client portfolios
- Identifying industry developments which may impact upon client policies and reputation
- Advising on best practice in voting policy and execution
- Supporting the integration of stewardship best practice into investment processes and decision-making (in respect of both internal and external management)
- Analysis and reporting of trends in voting behaviour and activity
- Post-voting reporting of key analysis and trends
- Analysing the effectiveness of active ownership policies and engagement activity
- Benchmarking fund manager voting intentions relative to the client's voting policy
- Supporting clients with stewardship-related compliance e.g. UNPRI, UK Stewardship Code etc.
- Supporting clients with internal and external communication with regards to voting, stewardship and engagement policies
- Identifying opportunities for clients to collaborate to secure more cost-efficient and effective voting outcomes
- Assisting the client to engage with investee entities across the portfolio as defined by the client
- Identifying and prioritising fund engagement activities by issue and company
- Identifying the optimal engagement strategy in line with the client's investment portfolio
- Identifying opportunities for clients to collaborate to secure more cost-efficient and effective engagement outcomes

- Undertaking engagement activity on behalf of clients.
- Supporting the client's external fund manager monitoring efforts
- Supporting the integration of engagement best practice into investment processes and decision-making
- Supporting the client in their engagement with policy-makers and regulators with regard to active ownership
- Provision of ongoing training for clients in relation to engagement
- Provision of regular monitoring reports and analysis of engagement activities undertaken

#### **Lot 4 – Stewardship Research and Data Services**

##### **Stewardship Research and Data Services including but not limited to:**

- Provision of research at sectoral, regional, asset class and/or investment level of environmental, social, governance and other stewardship matters in relation to current or prospective client investments
- Provision of data at sectoral, regional, asset class and/or investment level of environmental, social, governance and other stewardship matters in relation to current or prospective client investments

#### **Lot 5 – Stewardship Related Projects**

##### **Discrete pieces of specialist, stewardship-related project work including, but not limited to:**

- Advice on preparing stewardship due diligence tools for specific asset classes e.g. real estate, forestry etc.
- Advice on issues such as fossil fuel investment, human capital management etc
- Developing broader stewardship policies and partnerships
- Integrating responsible investment policies into investment decision-making
- Supporting clients in their stewardship-related interactions with stakeholders
- Supporting the analysis and reporting of stewardship-related data

# Who can provide services under this framework?

Q.

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

A.

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

There are 12 service providers on the framework, across five lots:

| Service Provider                                       | Lot 1 | Lot 2 | Lot 3 | Lot 4 | Lot 5 |
|--|-------|-------|-------|-------|-------|
| BMO Global Asset Management                            |       | ✓     | ✓     |       |       |
| Ethical Investment Research Services Ltd (EIRIS)       |       | ✓     |       | ✓     | ✓     |
| FTSE Russell   |       |       |       | ✓     |       |
| GES Investment Services AB                             | ✓     | ✓     | ✓     |       |       |
| Glass Lewis Europe Ltd                                 | ✓     |       |       |       |       |
| Hermes Equity Owner                                    |       | ✓     | ✓     |       |       |
| Mercer Ltd   |       |       |       |       | ✓     |
| MSCI ESG Research Inc.                                 |       |       |       | ✓     |       |
| Oekom Research   |       |       |       | ✓     | ✓     |
| Pensions & Investments Research Consultants Ltd (PIRC) | ✓     | ✓     | ✓     |       | ✓     |
| Robeco Institutional Asset Management B.V              | ✓     | ✓     | ✓     |       |       |
| Sustainalytics UK Ltd                                  |       |       |       | ✓     | ✓     |

**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.**

Further detail on each service provider can be found in the **Supplier Catalogues**. These include an overview of each provider's service descriptions, their team structures and associated biographies/CVs.

The National LGPS Framework for Stewardship Advisory Services commenced in November 2016 and is open for 4 years.

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

# How much does it cost?

## Joining Fee

The joining fee enables you to call-off from the Stewardship Advisory Framework as many times as you need during the lifetime of the framework.

The joiner's fee helps towards the set up costs and ongoing support and administration for the framework. **The maximum you will pay is £5,000.** For those fund who only have the requirement to only use individual lots a structured fee schedule has been developed.

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

| Lot/s  | Joining fee   |
|--|---------------|
| <b>All Lots/maximum fee</b>                    | <b>£5,000</b> |
| Lot 1 – Voting Services                        | £3,000        |
| Lot 2 – Engagement Services                    | £3,000        |
| Lot 3 – Voting and Engagement                  | £4,000        |
| Lot 4 – Stewardship Research and Data Services | £1,000        |
| Lot 5 – Stewardship Related Project Services   | £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 joiner's fee covers the support and administration for the framework and the **maximum you will pay to access all lots is £5,000.**

# How much 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.

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

## Pricing

Framework prices have already been competed as part of the initial tender process. The Ceiling Prices for all service providers on the National LGPS Framework for Stewardship Advisory Services are included in the **Pricing Schedule**.

**Ceiling prices are maximum rates. Running a Further Competition should drive these prices down even further, giving you the best value.**

## Additional benefit to framework users

All National LGPS Frameworks include an additional rebate mechanism for framework users to leverage the combined buying power of participating funds. This may mean that, dependent upon spend across the framework, you may receive an annual rebate.

The rebate mechanism applies to **all** work awarded and delivered under the National LGPS Framework for Stewardship Advisory Services. An aggregated cumulative stepped rebate based on the overall value of work awarded to a supplier under this framework will be applied to the prices as agreed at Further Competition (or Direct Award if applicable)

This will be due for payment directly from the services 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 Appendix 5 – Lot 1, 2, 3 & 5 Call-off Term 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.**

# Who can use the Framework?

The National LGPS Framework for Stewardship Advisory 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](http://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.

# How were the service providers chosen and monitored?

Q.

**Under the National LGPS Framework for Stewardship Advisory 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 does not oblige you to use any specific service provider. If you wished to make an appointment under the framework you would either **Direct Award** or undertake a **Further Competition**, depending on the nature of your specific requirements.

## Quality

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

- A proven track record, extensive knowledge and experience of providing Stewardship Advisory Services to pension funds and/or other asset owners/managers.
- Strong knowledge and experience of the investment framework, regulatory framework and operational environment for pension funds and/or other asset owners/managers.
- Provided added value to their clients and their stakeholders including Pro Bono support.
- Excellent communication, partnership and negotiating skills
- Appropriate professional qualifications
- 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 9 to 12.**

**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.**

# How do I join the National LGPS Framework?

Q.

**Can I Direct Award from any lot?**

A.

You can Direct Award through Lot 4 and Lot 5. To award through Lot 1, 2 or 3 you will need to undertake a Further Competition. (You can also undertake a Further Competition in Lot 4 and 5 if you choose to.)

If you would like to know more or to make use of the National LGPS Framework for Stewardship Advisory 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).

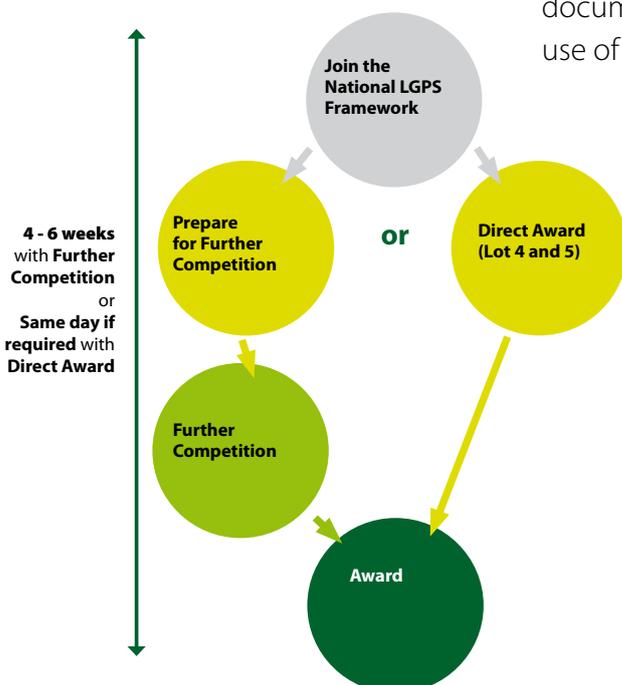
Once we have received your **Confidentiality Statement** we will send you a set of **Guidance notes**, along with a comprehensive Call-off pack including a **Guide to Call-off** and an **Example Invitation to Further Competition Template**.

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 have previously signed a Members Access Agreement for another National LGPS Framework please contact us



# 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](http://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 Direct Award and when do I have to run a Further Competition?

**A.** You can **Direct Award** from Lots 4 and 5 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 **Full Service** Lots, where you can appoint a single supplier for a long term arrangement. This is done by running a **Further Competition**.

Whichever Call-off route you take, you must ensure you comply with your local procurement arrangements.

If you are unsure of which Call-off method you need to undertake, please contact us on 01603 495922 or [NationalLGPSFrameworks@norfolk.gov.uk](mailto:NationalLGPSFrameworks@norfolk.gov.uk).

### 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 Stewardship Advisory 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 Stewardship Advisory 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 **Direct 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 Stewardship Advisory Services are deemed capable. You would need a clear and justifiable reason to exclude any service provider.

Lot 4 and 5 are designed for one-off specialist projects and as such you can **Direct Award** contracts 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 guidance and templates are included in the **Guide to Call-off**.

There is also more information on how to call-off from Lots 4 and 5 in this guide, including **Direct Award** to a single supplier or inviting all suppliers to tender for your requirements, using the criteria you set out.

### **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 14. 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.

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 at any time by giving written notice to the service provider.

### **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 Stewardship Advisory 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.

### **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 Stewardship Advisory 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 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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