

Appendix 1

Part 2 - Exclusion of Press and Public

Report title: Decision by Mayor and Cabinet to approve the award of contract for the provision of a Pension Administration System

Date 3rd November 2020

Key decision: Yes

- Total contract value is expected to be in excess of £500,000

Class: Part 2

Exclusion of Press and Public: It is recommended that under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting during discussion of this item because it involves the likely disclosure of exempt information as defined in paragraph 3 of part 1 of Schedule 12A of the Act as set out below and the public interest in maintaining the exemption outweighs the public interest in disclosing the information: Information relating to the financial or business affairs of any particular person (including the authority holding that information).

Ward(s) affected: All

Contributors:

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Section 1:- Content Excluded from Part 1 Section 5 – Completion of the Procurement Process

Section 2:- Content Excluded from Part 1 Section 6 – Financial Implications Financial Implications

Section 1:- Content Excluded from Part 1 Section 5 – Completion of the Procurement Process

- 1.0 Quality & Service Questions, Synopsis and Scores
- 1.3 Integration and Connectivity requirements
- 1.4 Member Self Service UAT, Role Out and Go-Live

Quality & Service Questions, Synopsis and Scores

1. Quality and Service (weighting 50%)

- 1.1 Suppliers were asked a series of quality and service questions and evaluated in accordance with the framework scoring methodology, with each response underpinned by supporting documentation..
- 1.2 The quality and service questions (with a synopsis of the response from Aquilla Heywood Limited with further details) are set out in the table below:-

Quality and Service	50%
Question 1:- Please describe your reporting functionality including your standard reports, member search and extract tools, bespoke and ad hoc reporting and dashboards	10%
<p>Consensus feedback to bid response 1:- Standard reports are available and used on a regular basis by all members of the pensions team in their daily administrative duties. The functionality requires minimal input, (dates), to produce lists of members who require action on their pension records, e.g. contacting as they approach their Normal Retirement Date to claim their pension benefits.</p> <p>The member search and export tool is a relatively new feature which enables quick adhoc reports to be generated and exported to excel for integration. The searches can be shared and saved between the team.</p> <p>Report writers are more complex reports that interrogate the entire Altair database and are often provided by the supplier in response to regulatory changes or HMRC requirements. A knowledge of Chrysalis is required to produce a comprehensive report writer, however the supplier offers free annual basis report writer training to the team</p> <p>Workflows and iConnect are an integral part of the day to day activities of the pensions team. They introduce controls which if not available, would dramatically increase the team’s workload.</p> <p>Conclusion:- The Supplier submitted an excellent response, whereby</p>	<p>Consensus Score 5/5 – 10%</p>

<p>all required reporting functionality was met or exceeded. The supporting documents were of excellent quality, relevant and of sufficient depth</p>	
<p>Question 2:- Please describe the functionality of your member portal, how members can access information and hence reduce the burden on the administration team</p>	<p>10%</p>
<p>Consensus feedback to bid response:- The Pension Regulator expects pension providers to offer a Member Self Service (MSS) facility to its members. MSS also allows members to upload forms and run their own pension estimate requests, which would greatly reduce the burden on the pensions team. Member documents such as Annual Benefit Statements can be published instantly on the portal giving the pensions team greater control over the documents. No long waits for Print Houses to produce proofs that have to be amended and then a further wait for documents to be posted. Cuts down on cost of posting and GDPR data breaches – sending member documents to incorrect addresses.</p> <p>Conclusion:- The Supplier submitted an excellent response, whereby all aspects of Member Access were fully answered and the functionality and information accessible to the Member either Met or exceeded requirements.</p> <p>The supporting documents were of excellent quality, relevant and of sufficient depth</p>	<p>Consensus Score 5/5 – 10%</p>
<p>Question 3:- Please describe your approach to implementation of the new pensions system and provide a project plan detailing key milestones and timescales</p>	<p>10%</p>
<p>Consensus feedback to bid response:- The implementation of MSS would be assigned to a Brent IT Project Manager who would coordinate the project with the supplier, and liaise with the Pensions Manager.</p> <p>Conclusion:- The Supplier submitted an excellent response, whereby the implementation approach was tailored to the incumbents status, detailed and reflected all aspects of good practice.</p> <p>The supporting documents were of excellent quality, relevant and of sufficient depth</p>	<p>Consensus Score 5/5 – 10%</p>
<p>Question 4:- Please describe the training services that you provide and the user groups and forums that you offer to promote best practice</p>	<p>10%</p>
<p>Consensus feedback to bid response:- The supplier made mention of</p>	<p>Consensus</p>

<p>the London CLASS user group (of which the Lewisham Pension team attend regularly). This forum enables all London Altair users to meet with the supplier to discuss needs and any issues. The supplier uses the forum to demonstrate new system releases or improvements, such as the 'Search& Export' tool mentioned earlier.</p> <p>Under the new contract the Supplier will attend site to deliver bespoke training, and has further offered free offsite training sessions on specialist topics such as 'Annual Allowance' and webinars on topics such as Regulation changes</p> <p>Conclusion:- The Supplier submitted an excellent response, whereby training requirements were fully met, and currently delivered, which includes access to user groups and forums</p> <p>The supporting documents were of excellent quality, relevant and of sufficient depth</p>	<p>Score 5/5 – 10%</p>
<p>Question 5:- Please describe your product roadmap, how you ensure continuing compliance with LGPS regulations and your approach to identifying improvements and functionality in your software</p>	<p>10%</p>
<p>Consensus feedback to bid response:- The supplier has strong working relationship with HMRC, DCLG, LGA and GAD enabling it to understand the changing statutory and regulatory requirements. These organisations often consult with the supplier on upcoming regulatory change. The supplier interprets and analyses all relevant legislation on behalf of customers, before agreeing with customers, via the CLASS Group, on implementation timescales. This service is extremely valuable to LGPS customers, saving significant time and effort otherwise required to analyse, specify and test the requisite changes</p> <p>Conclusion:- The supplier submitted an excellent response that could not be improved upon and reflects the quality engagement and continued compliance currently in place.</p> <p>The supporting documents were of excellent quality, relevant and of sufficient depth</p>	<p>Consensus Score 5/5 – 10%</p>

1.3 Integration/Connectivity Requirements

As the incumbent system there will be no data conversion nor data migration requirements. Aquilla Heywood will work with the internal IT team to set up the connectivity between Altair and the new hosted MSS website.

1.4 Member Self Service UAT, Role Out and Go-Live

- 1.4.1 As a Hosted Service, the clear expectation from Aquilla Heywood is they will be required to drive the delivery of Member Self Service with a low impact on internal resourcing requirements; therefore it is the expectation that
- 1.4.2 Aquilla Heywood liaise with the Pensions department and the Communication team on the design of the Member Self Service website and provide full training to the Pension team on how to use the functionality, how to amend the website and how to set members up etc; and
- 1.4.3 Provide assistance throughout the UAT process to the Pensions team, and work with the Pensions Department on a managed programme to roll the Member Self Service website out to our members.

Section 2:- Content Excluded from Part 1 Section 6 – Financial Implications Financial Implications

2.0 Financial Implications

Current Charges (Old Contract) – Includes Annual Indexation

- 2.1 Aquilla Heywood who are the current supplier of the Pensions administration system were paid £87,978.60 for annual maintenance and licence charges for the Core System from September 2019 to October 2020, with a renewal quotation submitted for £90,529.60 from October 2020 to September 2021 under the existing contract, which includes annual indexation
- 2.2 Hosted Member Self Service has not been implemented
- 2.3 Aquilla Heywood submitted a price for Hosted Member Self Service of £72,125 for the annual maintenance and licence charge. This price includes annual indexation but excludes the implementation cost of £37,860 in year 1

Charges (New Contract) – Fixed for a 10 year Period

- 2.4 The annual charge for annual maintenance and licence charges under the new contract would be £97,067 representing a £6,538 increase year 1 against the current costs, however this price is not subject to annual indexation.
- 2.5 The annual charge for the uptake of Hosted Member Self Service under the new contract is £26,325 per annum, excluding the £52,530 implementation (See 6.9 below for details), again this price is not subject to annual Indexation

Net Increase of Cost to Budget – Addition of Hosted Member Self Service Functionality

- 2.6 The Net increase for the addition of Member Self Service functionality over the 10 year period is £302,618
- 2.7 If awarded the total value of the contract will be funded from existing Pension Fund budgets.

Project Implementation :- Hosted Member Self Service

Scope:-

- 2.8 The £52k implementation charge includes from Aquilla:-
 - Project Management time

- Technical and consultancy resource covering the following:
 - Attendance at project calls
 - Production and Agreement of the Implementation and Technical Studies
 - Installation of the MSS website
 - Design and Branding of the MSS website
 - Connectivity of the website to your Altair installation
 - Training of pensions staff
 - Support in UAT and go live
- Support consultancy is assisting Lewisham will a fully managed roll out the site out to members

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