

## **Invitation to Tender (ITT):**

### **Provision of Pension consulting & advisory services**

Reference	FRC2022-046 Pension Consulting & advisory services
Date	April 2022

## **1 Background**

The purpose of the Financial Reporting Council (FRC) is to serve the public interest by setting high standards of corporate governance, reporting and audit and by holding to account those responsible for delivering them.

Delivering on our purpose will bring a variety of benefits. Improved outcomes, created by each of our regulatory activities are shown in the circle; each of which can positively reinforce others in the circle and contribute to overall benefits for a wide range of stakeholders such as greater transparency, increased trust in UK markets and a lower cost of capital for companies. Our direct stakeholders include companies, institutional investors, auditors, actuaries, accountants and their respective professional bodies. Our indirect stakeholders include retail shareholders, suppliers, employees, customers, communities, pensioners and savers, and financial institutions, all of whom have an interest in the health of companies and other organisations within our existing and future regulatory scope and in the success of the UK corporate sector as a whole.

The FRC is a public body, and a partner body of BEIS. Although funded by member and levy contributions, not by the taxpayer, the FRC is subject to public sector requirements and engages closely with other regulators and public bodies.

The FRC is committed to

- Supporting the creation of a new regulator, the Audit, Reporting and Governance Authority (ARGA), into a high performing new robust and independent regulator, acting in the public interest and provide increased confidence in the UK market. Protecting and improving audit and reporting quality.
- Making company reporting fit for the future.
- Supporting the creation of the audit of the future
- Ensuring that the world-leading UK Corporate Governance and Stewardship Codes make the UK a great place to do business, helping support Covid-19 recovery and UK prosperity.

The UK Stewardship Code is a voluntary code for asset managers (investment managers), asset owners and service providers (such as proxy advisers, investment consultants and data providers). The Stewardship Code promotes the responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

Further information: - <https://www.frc.org.uk/getattachment/5aae591d-d9d3-4cf4-814a-d14e156a1d87/Stewardship-Code-Dec-19-Final-Corrected.pdf>

We also monitor and take action to promote the quality of corporate reporting and operate independent enforcement arrangements for accountants and actuaries. Further information about our role can be found at [www.frc.org.uk](http://www.frc.org.uk).

## **2 Project Requirements**

### **2.1 Purpose & Background**

The aim of this project is to engage a specialist for the provision of pension consulting and advisory services.

Under the Pensions Act every employer in the UK must put certain staff into a workplace pension scheme and contribute towards it. The Pensions Act also requires the appointment of *professional advisors* to carry out specific task in relation to the navigation on complex matters. In addition to the FRC's employer legal obligation we are committed to the current and future financial wellbeing of our employees.

We are seeking to partner with an organisation that can demonstrate the depth and breadth of experience to deliver the optimum management, member knowledge and awareness, and overall positive outcomes. The (proposed) contract term is four years.

The FRC has a Group Personal scheme with Aviva. Each enrolled member of FRC staff has an individual pension plan within that scheme. The FRC makes a 10% contribution into the plan, along with any additional contributions the employee chooses to make. The scheme currently has c.350 active members. The total funds under management with Aviva are c.£20mn. Many of the FRC's employees are accountants, actuaries or lawyers taking a keen interest in pension matters.

The FRC Pension Committee (a governance committee) works with the Pensions Adviser to provide oversight of Aviva's management and operation of the scheme against relevant regulatory guidance and requirements and helps to manage the associated risks. The Committee's main activities are monitoring the scheme's performance, reviewing the scheme's investment and administration arrangements and providing information and education about the scheme to FRC staff.

The Pension Committee meets at least twice a year and is chaired by Executive Director of Corporate Services, with other standing members being the Chief People Officer and the Finance Director. There are also additional pensions committee members drawn from across the FRC. The meetings are also attended by members of the Payroll team and the Committee's Secretary.

The Pensions Committee requires ongoing professional advice from expert pensions consulting and advisory professionals (as outlined in the Scope below).

## 2.2 Scope

The Pension Consulting and Advisory Services includes providing the Pensions Committee with governance reports, information, relevant industry updates and expert advice. This would also include government or regulatory updates or guidance. The Advisors are required to attend some of the Pension Committee's meetings, engage with the provider, collate information on the FRC's Pension scheme and deliver briefings and information sessions to staff. The Advisors support the FRC to meet its statutory obligations, including the necessary reports and filings.

We consider our requirement to cover expert input / engagement with to various key stakeholder groups (as overleaf)

Key stakeholder group	FRC Scope	Provision of Pension consulting services required
Pensions Committee	To exercise all of the powers and duties of the FRC in relation to its functions and obligation to administer the Pension Scheme.	<ul style="list-style-type: none"> <li>• Support to the Pensions Committee to fulfil its duties, both administrative and oversight.</li> <li>• Attend two pensions committee meetings each year.</li> <li>• Provide review of the Market and Pension Provider</li> <li>• Default investment fund advice and recommendation</li> <li>• Annual governance review and compliance review</li> </ul>
People	The FRC's Chief People Officer and the Finance Director role is to understand, organise, implement and maintain (and maximise) the Staff Benefit pension proposition.	<ul style="list-style-type: none"> <li>• Guidance and support on pensions provision as a staff benefit.</li> <li>• Provide a package of relevant / proportionate staff awareness, training and learning materials and sessions (for new and existing Scheme members)</li> <li>• Tax/regulatory updates and requirements</li> <li>• Staff communications eg statutory letters, employee guide, enrolment FAQs</li> </ul>
Partners	External organisations that provide the Scheme or influence / impact areas relating to the Scheme.	<ul style="list-style-type: none"> <li>• We therefore require the Pensions Advisor to directly engage with Aviva to build effective relationship and management covering all relevant areas (including but not limited to investment options, funding levels, cost and changes, member options and benefits).</li> <li>• We do not anticipate and direct engagement with The Pensions Regulator, HMRC or the FRC's payroll provider however general advice and guidance to the Pensions Committee on areas relating to these organisations may be required.</li> </ul>

In summary, we are seeking a holistic Pension consulting and Advisory Services to support FRC in relation to our obligation to administer the Pension Scheme, to maintain and/or enhance the Staff Benefit pension proposition and to encourage future financial wellbeing.

The Pensions Consulting and Advisory Services are critically important for the FRC to meet its obligations and objectives effectively and efficiently, and support the employee value proposition.

The Pensions Advisor must be able to demonstrate the depth and breadth of experience / expertise and the ability to demonstrate alignment with the FRC's core principles and commitment to sustainable benefits for the economy, the environment and society. It must operate to the highest regulatory and conduct standards.

### 2.3 Liaison arrangements

The successful Supplier will liaise with the Chair of the FRC Pension Committee and/or the Chief People Officer and the Finance Director to cover the People and financial related requirements. Over the duration of the proposed Contract attendance at a Audit & Risk Committee or People Committee may be required. The successful Supplier should ensure that a key Account Manager and (if different) a Relationship Manager is nominated for the overall engagement and delivering of the FRC's requirements, to provide quality and continuity of service.

### 2.4 Cost and financials

The tenderer should provide a fixed annual fee for the delivery of the Services required, assuming 2 half day meetings each year plus occasional updates and advice as required (exclusive of VAT, inclusive of all expenses). Tenderers should detail their costs in the Tender Response Documents in the format specified. Training options should be identified as additional, and flexible depending on the need and the audience(s). No other costs should be charged on top of the fixed fee, unless the scope materially changes from what is set out / agreed in the response.

Your pricing proposal should also detail cost should the FRC seek to utilise Additional Services. We anticipate the annual fee circa £5k-£8k.

### 2.8 Your tender response

You should submit one proposal (using the provided Tender response document) addressing how you meet / propose to meet the FRC's Requirements.

#### **Stage A:**

	FRC's requirement	Criteria / Evaluation
1.	The Pensions Advisor must be able to demonstrate alignment FRC's core procurement principles <sup>1</sup> and commitment to effective stewardship and responsible investment. <sup>2</sup>	Your proposal must demonstrate how you support clients' commitment to effective stewardship and your consideration of material environmental, social and

	<p>Additional information / reference:</p> <ol style="list-style-type: none"> <li>1) <a href="https://www.frc.org.uk/about-the-frc/procedures-and-policies/procurement">https://www.frc.org.uk/about-the-frc/procedures-and-policies/procurement</a></li> <li>2) Stewardship is the responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, environment and society. (<a href="#">Definition UK Stewardship Code</a>)</li> </ol>	<p>governance issues when giving advice.</p> <p>You must show high standards of conduct and regulatory compliance. Your response should draw on existing protocol, standards &amp;/or Code and future plans.</p> <p>The completion of the Supplier Code of Conduct is also required (see Tender Response Document)</p> <p>Note:</p> <p>This maybe by reference to the UK Stewardship Code or other UK or international standards, and your current status and future plans.</p>
<p>Note: Suppliers need to score Good / Excellent to progress to the second stage.</p>		

### Stage B:

	FRC's requirement	Criteria / Evaluation
1	The Pensions Advisor must be able to demonstrate the depth and breadth of experience / expertise	Your proposal must demonstrate how you meet this FRC requirement.
2	The Pensions Advisor is required to support the Pensions Committee to fulfil all its duties.	<p>Your proposal must demonstrate</p> <ul style="list-style-type: none"> <li>• how you will work with the FRC to deliver this requirement</li> <li>• what you will do to achieve this requirement</li> </ul>
3	<p>The Pensions Advisor must provide: -</p> <ul style="list-style-type: none"> <li>• guidance and support on pensions provision as a staff benefit, including tax or regulatory updates</li> <li>• Provide a package of relevant / proportionate staff awareness, training and learning materials and sessions (for new and existing Scheme members)</li> </ul>	<p>Your proposal must detail</p> <ul style="list-style-type: none"> <li>• how you will achieve this requirement</li> <li>• what you propose for the programme of awareness and training (type/ frequency etc).</li> </ul>
4	The management of the provider i.e. Aviva is critical therefore the successful supplier must	Your proposal must demonstrate the proposed approach and why this approach to relationship management is most appropriate.

	be able to demonstrate experience / transferrable skills in this area.	
5.	To maintain the optimum relationship over the duration of the Contract the FRC expects the successful supplier to have good arrangements for client liaison, account management & continuous improvement.	Your proposal must detail the proposed approach to achieve this requirement.

## 2.9 Tender evaluation

Bids will be scored on your ability to meet our requirements using the scoring approach: -

Score	Criteria for awarding score
0	<b>Unacceptable</b> Failed to provide confidence that the proposal will meet the requirements. An unacceptable response with serious reservations.
25	<b>Poor</b> A poor response with reservations. The response lacks convincing detail with risk that the proposal will not be successful in meeting all the requirements.
50	<b>Fair</b> Meets the requirements – the response generally meets the requirements but lacks sufficient detail to warrant a higher mark.
75	<b>Good</b> A good response that meets the requirements with good supporting evidence. Demonstrates good understanding.
100	<b>Excellent</b> An excellent (well detailed) response that fully meets the requirements and business needs. Provided a clear & comprehensive response and evidence of expertise, experience and/or capabilities to the benefit of the FRC resulting in a high level of confidence.

## 2. Questions & Clarifications

2.1.1. Tenderers may raise questions or seek clarification regarding any aspect of this further competition at any time prior to the tender clarification deadline.

2.1.2. Tenderers may raise questions or seek clarification within the timeframe by sending questions to [procurement@frc.org.uk](mailto:procurement@frc.org.uk) in the following format.

Nature of query / clarification	Query / Clarification

- 2.1.3. FRC will not enter into exclusive discussions regarding the requirements of this ITT with tenderers.
- 2.1.4. To ensure that all tenderers have equal access to information regarding this tender opportunity, FRC will publish all its responses to questions raised by Tenderers on an anonymous basis.
- 2.1.5. Responses will be published in a questions and answers document to all Tenderers who have indicated that they wish to participate.

### 3. Tender process timeline

DATE/TIME	ACTIVITY
01/04/2022	Publication of the Invitation to Tender
08/04/2022 by 12noon	Deadline to submit clarification questions
13/04/2022 by close of play	Deadline for publication of responses to clarification questions FRC will endeavour to meet this deadline
21/04/2022 by 12noon	Deadline for supplier submission of tender to the FRC.
29/04/2022	Shortlisted suppliers advised
w/c 9 <sup>th</sup> May	Tender clarification / supplier presentations to take place on the afternoon (2-4pm) of 11 May 2022 and 13 May 2022
16-05-2022	Tender Outcome
End June / Early July 2022	Contract Start Date (for a Term of four (4) years).
2026	Contract end
<b>Note</b> The FRC reserves the right to further extend the contract by a additional 12 months.	

### 4. Conduct

- 4.1.1. The tenderer must not communicate to any person the tender price, even approximately, before the date of the contract award other than to obtain, in strict confidence, a price for insurance required to submit the tender.
- 4.1.2. The tenderer must not try to obtain any information about any other person's tender or proposed tender before the date of the contract award.
- 4.1.3. The tenderer must not make any arrangements with any other person about whether or not they should tender, or about their tender price.



- 4.1.4. The tenderer must not offer any incentive to any member of FRC's staff for doing or refraining from doing any act in relation to the tender.
- 4.1.5. If the tenderer engages in any of the activities set out in this paragraph or if FRC considers the tenderer's behaviour is in any way unethical FRC reserves the right to disqualify the tenderer from the procurement.
- 4.1.6. The tenderer represents and warrants that a conflicts of interest check has been carried out, and that check revealed no conflicts of interest.
- 4.1.7. Where a conflict of interest exists or arises or may exist or arise during the procurement process or following contract award the tenderer must inform the FRC and submit proposals to avoid such conflicts.
- 4.1.8. Tenderers must obtain for themselves at their own responsibility and expense all information necessary for the preparation of tenders. The FRC is not liable for any costs incurred by the tenderer as a result of the tendering procedure. Any work undertaken by the tenderer prior to the award of contract is a matter solely for the tenderer's own commercial judgement.

## **5. Due Diligence**

- 5.1.1. While reasonable care has been taken in preparing the information in this ITT and any supporting documents, the information within the documents does not purport to be exhaustive nor has it been independently verified.
- 5.1.2. Neither FRC, nor its representatives, employees, agents or advisers:
  - makes any representation or warranty, express or implied, as to the accuracy,
  - reasonableness or completeness of the ITT and supporting documents; or
  - Accepts any responsibility for the adequacy, accuracy or completeness of the information contained in the ITT and supporting documents nor shall any of them be liable for any loss or damage, other than in respect of fraudulent misrepresentation, arising as a result of reliance on such information or any subsequent communication.
- 5.1.3. It is the tenderer's sole responsibility to undertake such investigations and take such advice, including professional advice, as it considers appropriate in order to make decisions regarding the content of its tenders and in order to verify any information provided to it during the procurement process and to query any ambiguity, whether actual or potential.

- 5.1.4. It is a requirement that the successful supplier (i) comply with all applicable laws and regulations including, without limitation, the Bribery Act 2010, the Equality Act 2010 and the Modern Slavery Act 2015; and (ii) in addition to any contractual requirement(s), inform the FRC immediately upon becoming aware of any event (including actual or threatened court proceedings) which may impact upon the reputation of the FRC, whether or not connected with the Supplies and/or Services.

## **6. Submitting a Tender**

- 6.1.1. Tenderers must submit their tender response within the deadline to [procurement@frc.org.uk](mailto:procurement@frc.org.uk).
- 6.1.2. Where a Tender Response Template is provided, potential providers must align their tender response with that format.
- 6.1.3. A Tender must remain valid and capable of acceptance by the Authority for a period of 90 days following the Tender Submission Deadline. A Tender with a shorter validity period may be rejected.

## **7. Evaluation**

- 7.1.1. FRC will award the contract on the basis of the tender which best meets the evaluation criteria aligned to the requirements.

## **8. Acceptance of Tender & Notification of Award**

- 8.1.1. FRC reserves the right to amend, add to or withdraw all or any part of this ITT at any time during the procurement.
- 8.1.2. FRC shall not be under any obligation to accept the lowest price tender or any tender and reserves the right to accept such portion or portions as it may decide, unless the tenderer includes a formal statement to the contrary in the tender. FRC also reserves the right to award more than one contract to fulfil the requirement.
- 8.1.3. The tenderer will be notified of the outcome of the tender submission at the earliest possible time.
- 8.1.4. Where the procurement process is subject to EU public procurement directives, a minimum standstill period of 10 calendar days will apply between communicating the award decision electronically to tenderers and awarding the contract.

8.1.5. Nothing in the documentation provided by FRC to the tenderer during this procurement or any communication between the tenderer and FRC or FRC's representatives, employees, agents or advisers shall be taken as constituting an offer to contract or a contract. No tender will be deemed to have been formally accepted until the successful tenderer has received a formal contract award letter from FRC.

**9. Additional Information**

- Tenderers must not undertake any publicity activity regarding the procurement within any section of the media.
- The FRC reserves the right to take up references. You will be required to provide references in the Tender Response Document. References must be relevant to the FRC requirement and in the last five years
- Please use the attached Tender Response Document for your reply.
- The Terms and Conditions that will apply to this proposed Agreement are attached. Suppliers should accept the T&C's with no material changes.