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Contract

## **Administration of the Civil Service Pensions Schemes**

The Minister for the Cabinet Office acting through Crown Commercial Service

F03: Contract award notice

Notice identifier: 2021/S 000-001698

Procurement identifier (OCID): ocds-h6vhtk-028df8

Published 27 January 2021, 10:56pm

### **Section I: Contracting authority**

#### **I.1) Name and addresses**

The Minister for the Cabinet Office acting through Crown Commercial Service

9th Floor, The Capital, Old Hall Street

Liverpool

L3 9PP

#### **Contact**

Pat Robinson

#### **Email**

[pat.robinson@cabinetoffice.gov.uk](mailto:pat.robinson@cabinetoffice.gov.uk)

#### **Telephone**

+44 7711937552

**Country**

United Kingdom

**NUTS code**

UK - UNITED KINGDOM

**Internet address(es)**

Main address

<https://www.gov.uk>

**I.4) Type of the contracting authority**

Ministry or any other national or federal authority

**I.5) Main activity**

General public services

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## **Section II: Object**

### **II.1) Scope of the procurement**

#### **II.1.1) Title**

Administration of the Civil Service Pensions Schemes

#### **II.1.2) Main CPV code**

- 66523100 - Pension fund administration services

#### **II.1.3) Type of contract**

Services

#### **II.1.4) Short description**

The administration of civil service pensions for more than 1.5 million past and present civil servants and more than 250 employers; the provision of pension payroll and injury benefit services; and services in connection with the Civil Service Compensation Scheme, which provides compensation to civil servants in the event of redundancy.

#### **II.1.6) Information about lots**

This contract is divided into lots: No

#### **II.1.7) Total value of the procurement (excluding VAT)**

Value excluding VAT: £44,762,364

### **II.2) Description**

#### **II.2.3) Place of performance**

NUTS codes

- UK - UNITED KINGDOM

#### **II.2.4) Description of the procurement**

Cabinet Office is responsible for the management of the Civil Service Pension Scheme (CSPS) and the Royal Mail Statutory Pension Scheme (RMSPS) - the third and sixth largest

pension schemes in the UK respectively. The CSPS is currently administered under contract by MyCSP Ltd and the contract is due to expire on 31 December 2021. Additional work has become necessary between early 2021 and mid 2023 in order to allow the contracting authority to meet its obligations in response to the McCloud judgment on the transitional protection elements of the 2015 public sector pension scheme reforms. This cannot be carried out by an alternative provider for economic and technical reasons without causing significant inconvenience or substantial duplication of costs for the contracting authority. Accordingly, the contracting authority has entered into an agreement with MyCSP to extend the contract by two years. The RMSPS is currently administered under a separate contract with Capita, which expires in September 2023.

## **II.2.5) Award criteria**

Price

## **II.2.11) Information about options**

Options: No

## **II.2.13) Information about European Union Funds**

The procurement is related to a project and/or programme financed by European Union funds: No

## **II.2.14) Additional information**

Cabinet Office expects to run a single procurement for both schemes. An advert will be published in Q2 of 2021 with contract award in 2022. To inform the procurement, Cabinet Office is undertaking pre-market engagement and would welcome views from suppliers on: Delivery Model, Service Transformation, Transition, Technology, Commercial models and risk appetite.

## Section IV. Procedure

### IV.1) Description

#### IV.1.1) Type of procedure

Award of a contract without prior publication of a call for competition in the cases listed below

- Additional deliveries by the original supplier

Explanation:

Cabinet Office is responsible for the management of the Civil Service Pension Scheme (CSPS) and the Royal Mail Statutory Pension Scheme (RMSPS). MyCSP Ltd administers the CSPS, and the contract expires on 31 December 2021. Additional work has become necessary to allow Cabinet Office to meet its obligations in response to the McCloud judgment on the transitional protection elements of the 2015 public sector pension scheme reforms (the “2015 Remedy”). An alternative provider cannot deliver this work for technical reasons, and without causing significant inconvenience or duplication of costs. The principle technical issue is the need to administer the 2015 Remedy from early 2021 alongside the core scheme administration, which timeline precludes the opportunity to procure and transition the services to an alternative provider. It is expected the 2015 Remedy will take three years to complete. Continuing with the current provider allows the Cabinet Office to meet the immediate needs of scheme members who have already taken pensions and may need to have their pensions adjusted under the 2015 Remedy or who have been denied ill health retirement pensions which may be granted due to the 2015 Remedy. In addition to meeting the needs of those retiring over the coming few years. For a third party to deliver the 2015 Remedy separately from the core pension administration would require substantial duplication of costs and be technically difficult due to the need to; replicate the scheme calculations through a second pension administration system; transition and duplicate scheme data; maintain two parallel databases; and interface data between two administrators to ensure consistent and accurate communication with members and employers to calculate the benefits. Accordingly, Cabinet Office has entered into an agreement with MyCSP to extend the contract by two years and to deliver the 2015 Remedy programme. Cabinet Office expects to commence a new procurement exercise for the administration of both CSPS and RMSPS in Q2 of 2021. As set out in the additional information section, Cabinet Office will carry out pre-market engagement to inform the procurement exercise for replacement CSPS and RMSPS contract(s).

#### IV.1.8) Information about the Government Procurement Agreement (GPA)

The procurement is covered by the Government Procurement Agreement: Yes

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## **Section V. Award of contract**

### **Contract No**

1

### **Title**

Administration of Civil Service Pensions

A contract/lot is awarded: Yes

### **V.2) Award of contract**

#### **V.2.1) Date of conclusion of the contract**

20 January 2021

#### **V.2.2) Information about tenders**

Number of tenders received: 1

The contract has been awarded to a group of economic operators: No

#### **V.2.3) Name and address of the contractor**

MyCSP Limited

Park Square, Bird Hall Lane

Stockport

SK3 0XM

Country

United Kingdom

NUTS code

- UK - UNITED KINGDOM

The contractor is an SME

No

#### **V.2.4) Information on value of contract/lot (excluding VAT)**

Total value of the contract/lot: £44,762,364

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## **Section VI. Complementary information**

### **VI.4) Procedures for review**

#### **VI.4.1) Review body**

High Court of England and Wales

London

Country

United Kingdom