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Contract

## **Provision of Nest Scheme administration services**

NATIONAL EMPLOYMENT SAVINGS TRUST (NEST) CORPORATION

F03: Contract award notice

Notice identifier: 2023/S 000-017642

Procurement identifier (OCID): ocds-h6vhtk-03d82e

Published 21 June 2023, 12:01pm

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

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

NATIONAL EMPLOYMENT SAVINGS TRUST (NEST) CORPORATION

10 South Colonnade

london

E14 4PU

#### **Contact**

bhavesh patel

#### **Email**

[bhavesh.patel@nestcorporation.org.uk](mailto:bhavesh.patel@nestcorporation.org.uk)

#### **Telephone**

+44 2030563665

#### **Country**

United Kingdom

**Region code**

UKI44 - Lewisham and Southwark

**Justification for not providing organisation identifier**

Not on any register

**Internet address(es)**

Main address

[www.nestpensions.org.uk](http://www.nestpensions.org.uk)

Buyer's address

[www.nestpensions.org.uk](http://www.nestpensions.org.uk)

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

Body governed by public law

**I.5) Main activity**

Economic and financial affairs

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**Section II: Object**

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

**II.1.1) Title**

Provision of Nest Scheme administration services

**II.1.2) Main CPV code**

- 66000000 - Financial and insurance services

**II.1.3) Type of contract**

Services

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

The Authority has awarded a contract to Tata Consultancy Services (TCS) for the build, delivery and operation of administration services for the defined contribution pension scheme known as the National Employment Savings Trust. The administration services will support auto-enrolment and be delivered primarily via digital channels.

The contract will be for a minimum term of 10 years, with an optional extension period of up to 5 years, and the option of an additional period of up to 3 years for exit. The total contract value is indicative and covers this potential 18 year period.

The Authority considers that competition is absent for technical reasons and so has awarded the contract to TCS without publishing a prior call for competition. The Authority's reasons for forming this view are set out below. The Authority and TCS entered into the contract on 21/06/23.

#### **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: £1,500,000,000

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

#### **II.2.2) Additional CPV code(s)**

- 48000000 - Software package and information systems
- 66000000 - Financial and insurance services
- 71600000 - Technical testing, analysis and consultancy services
- 72000000 - IT services: consulting, software development, Internet and support
- 75100000 - Administration services
- 75320000 - Government employee pension schemes
- 79000000 - Business services: law, marketing, consulting, recruitment, printing and security

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

NUTS codes

- UKI - London

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

The Authority has procured a fully outsourced service for the build, delivery and operation of administration services for the defined contribution pension scheme known as the National Employment Savings Trust. The administration services will support auto-enrolment and be delivered primarily via digital channels.

The contract will be for a minimum term of 10 years, with an optional extension period of up to 5 years, and the option of an additional period of up to 3 years for exit. The total contract value is indicative and covers this potential 18 year period.

As a financial services organisation with public body status, the Authority adheres to public procurement regulations. Therefore, the Authority conducted this procurement in accordance with the rules laid out in the Public Contracts Regulations 2015. The Authority has used the negotiated procedure without prior publication for the reasons explained below.

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

Price

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

Options: Yes

Description of options

The contract will be for a minimum term of 10 years, with an optional extension period of up to 5 years, and the option of an additional period of up to 3 years for exit.

When exiting the contract, the Authority has three options: the Platform-as-a-Service option, the self-hosted option, and the replacement services option.

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## 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

- The services can be provided only by a particular economic operator for the following reason:
  - absence of competition for technical reasons

Explanation:

Nest requires assurance that its partner is sufficiently experienced and technically capable of delivering the complex requirements of the contract. To this end Nest requires that its partner has experience of operating in the UK Defined Contribution (DC) pensions market; that they can evidence delivering a digital first service in a DC pensions environment; and that they can evidence experience of delivering both a transition and data migration, alongside an ongoing service, to a customer base of Nest's scale and complexity.

Nest has assessed the market against its requirements and has concluded that competition does not exist. Nest commissioned a broad market assessment from PricewaterhouseCoopers to understand whether there is competition in the market capable of meeting Nest's requirements for technical experience. The assessment considered all suppliers with UK DC experience, as well as the participants who engaged in the recent procurement for these services (OJEU ref 2019/S 091-219508). PwC's expert conclusion was that, apart from TCS, there was no single supplier or consortium in the market now or the short term (assessed over the next 12 months) who could meet Nest's requirements.

Nest concludes there is presently no reasonable alternative or substitute available and the absence of competition is not the result of an artificial narrowing down of the parameters of the procurement. This is evidenced by the following points:

1. Given the national importance of a functioning Nest scheme Nest has carefully considered its minimum criteria relating to the experience and successful track record that any potential supplier must evidence and specifically requires the experience set out above so Nest can be assured that its complex technical requirements will be met and that it will not risk service discontinuity and can meet the transforming needs of Nest's customers over the next decade. The experience requirements have been informed by the outcome of the recent procurement where the contract was awarded to a supplier

without this level of experience.

2. Nest's output requirements for the service have not changed from those advertised to the market in the recent procurement (which attracted only two final tender submissions in 2021 despite extensive market warming efforts) meaning that Nest can be confident of the judgement it is taking of the market based on the response to the recent procurement and the up-to-date market assessment provided by PwC.

3. The disaggregation of the scheme is not possible at this stage because the current solution is not readily interoperable with other suppliers' solution(s) and a change from a single service provider solution would add complexity to an already highly complex project. The new contract incorporates flexibility aimed at being able to disaggregate elements in future.

Nest considers that there is no supplier in the market other than TCS that can meet Nest's requirements. Accordingly, and in the best interests of its members, Nest is able pursuant to Regulation 32(2)(b)(ii) of the Public Contracts Regulations 2015 (PCR) to negotiate a contract directly with TCS without needing to advertise the opportunity and has done so.

#### **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**

A contract/lot is awarded: Yes

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

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

21 June 2023

#### **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**

Tata consultancy services

18 Grosvenor Place

London

SW1X 7HS

Country

United Kingdom

NUTS code

- UKI - London

Companies House

BR007627

Internet address

<https://www.tcs.com/>

The contractor is an SME

No

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

Initial estimated total value of the contract/lot: £1,500,000,000

Total value of the contract/lot: £1,500,000,000

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## **Section VI. Complementary information**

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

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

The High Court of Justice

Royal Courts of Justice, Strand

London

WC2A 2LL

Country

United Kingdom