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Contract

## **Contract Variation for the Provision of the Teachers' Pension Scheme Administration for the UK Department for Education**

Department for Education

F20: Modification notice

Notice identifier: 2021/S 000-023885

Procurement identifier (OCID): ocds-h6vhtk-02e4be

Published 24 September 2021, 10:45pm

### **Section I: Contracting authority/entity**

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

Department for Education

Sanctuary Buildings, 20, Great Smith Street

London

#### **Email**

[TPS.COMMERCIAL@education.gov.uk](mailto:TPS.COMMERCIAL@education.gov.uk)

#### **Country**

United Kingdom

#### **NUTS code**

UK - United Kingdom

#### **Internet address(es)**

Main address

<https://www.gov.uk/government/organisations/department-for-education>

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## **Section II: Object**

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

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

Contract Variation for the Provision of the Teachers' Pension Scheme Administration for the UK Department for Education

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

- 66523100 - Pension fund administration services

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

Services

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

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

- 66000000 - Financial and insurance services

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

NUTS codes

- UK - United Kingdom

#### **II.2.4) Description of the procurement at the time of conclusion of the contract:**

Solution required to fully support all aspects of the operational scheme in accordance with the legislative provisions and operation guidelines.

#### **II.2.7) Duration of the contract, framework agreement, dynamic purchasing system or concession**

End date

30 September 2025

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

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

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## **Section IV. Procedure**

### **IV.2) Administrative information**

#### **IV.2.1) Contract award notice concerning this contract**

Notice number: [2020/S 051-122386](#)

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

### **Contract No**

09/S 180-258507/EN

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

#### **V.2.1) Date of conclusion of the contract/concession award decision:**

24 April 2011

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

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

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

Capita Employee Benefits Limited

London

Country

United Kingdom

NUTS code

- UK - United Kingdom

The contractor/concessionaire is an SME

No

#### **V.2.4) Information on value of the contract/lot/concession (at the time of conclusion of the contract;excluding VAT)**

Total value of the procurement: £20,597,816

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## **Section VI. Complementary information**

### **VI.3) Additional information**

A voluntarily 30 day standstill period shall be applied to this modification notice.

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

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

UK Government Cabinet Office

70 Whitehall

London

Country

United Kingdom

#### **VI.4.2) Body responsible for mediation procedures**

Department for Education

Sanctuary Buildings, 20 Great Smith Street

London

SW1P 3BT

Country

United Kingdom

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## **Section VII: Modifications to the contract/concession**

### **VII.1) Description of the procurement after the modifications**

#### **VII.1.1) Main CPV code**

- 66523100 - Pension fund administration services

#### **VII.1.2) Additional CPV code(s)**

- 66000000 - Financial and insurance services

#### **VII.1.3) Place of performance**

NUTS code

- UK - United Kingdom

#### **VII.1.4) Description of the procurement:**

On 20 December 2018, the Court of Appeal ruled that transitional protection arrangements contained within the judges' and firefighters' pensions schemes (the McCloud and Sargeant cases, respectively) were discriminatory on the grounds of age, sex and race. The transitional protection arrangements are policy provisions that were introduced on 31 March 2012 and enabled those who were closest to their normal pension age to stay in the final salary schemes whilst those who were younger transitioned over into the new Career Average Revalued Earnings (CARE) schemes from 1 April 2015. And therefore there is a need to deliver transitional protection discrimination remedy.

#### **VII.1.5) Duration of the contract, framework agreement, dynamic purchasing system or concession**

End date

30 September 2025

#### **VII.1.6) Information on value of the contract/lot/concession (excluding VAT)**

Total value of the contract/lot/concession:

£20,597,816

#### **VII.1.7) Name and address of the contractor/concessionaire**

Capita Employee Benefits Limited

London

Country

United Kingdom

NUTS code

- UK - United Kingdom

The contractor/concessionaire is an SME

No

## **VII.2) Information about modifications**

### **VII.2.1) Description of the modifications**

Nature and extent of the modifications (with indication of possible earlier changes to the contract):

This is a contract modification delivered under the Public Contracts Regulations (2015) regulation 72(1)(b) to rectify member records.

The Court of Appeal determined, on 20 December 2018, that the transitional protection arrangements contained within the Firefighters' (Sargeant) and Judicial (McCloud) pension schemes (introduced as part of pension scheme reforms in 2015) constituted unlawful discrimination. While the Court of Appeal decision relates specifically to the Firefighters and Judges' schemes, HM Treasury has confirmed that it impacts all main public service schemes, including the Teachers' Pensions Scheme.

The Court of Appeal ruling therefore has two main effects for the TPS:

We must amend the Scheme to avoid further discrimination going forward; and

TPS members who have already been impacted by the discrimination must be appropriately compensated.

We now need to deliver the transitional protection discrimination remedy in accordance with the primary legislation that HM Treasury is bringing forward and consequential amendments to the statutory regulations that govern the Scheme.

Value of the Variation

Increase in price will be up to 20,597,816 GBP against the current contract value of



193,043,295 GBP.

### **VII.2.2) Reasons for modification**

Need for additional works, services or supplies by the original contractor/concessionaire.

Description of the economic or technical reasons and the inconvenience or duplication of cost preventing a change of contractor:

The contracting authority is relying on Regulation 72.1.b. due to economic and technical reasons that a change of contractor would cause significant inconvenience and have to overcome significant technical barriers in order to amend and reconcile live pension data as well as substantial duplication of costs for the contracting authority.

### **VII.2.3) Increase in price**

Updated total contract value before the modifications (taking into account possible earlier contract modifications, price adaptations and average inflation)

Value excluding VAT: £193,043,295

Total contract value after the modifications

Value excluding VAT: £213,641,111