



Institute
and Faculty
of Actuaries

Request for Tender

Rationale for retirement behaviour: Consumer testing

Deadline: 12:00 noon GMT, Friday 8 April 2016

March 2016

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1 SUMMARY

1.1 Background

The Institute and Faculty of Actuaries (IFoA) is a professional body representing and regulating over 28,000 members around the world. Actuaries provide commercial, financial and prudential advice on the management of assets and liabilities – particularly where long-term management and planning are critical factors. Under its Royal Charter, the IFoA has a public interest duty. Part of this is fulfilled through the development of research outputs that are relevant to actuarial practitioners, policymakers and other stakeholders around the world.

From April 2015, the government introduced some of the most significant changes to pensions in almost a hundred years. It believes that individuals who have worked hard and saved responsibly should be trusted to make their own decisions with the pension savings. Given the introduction of additional flexibility, there is a general concern that consumers may not be well equipped to make those important decisions, which for some may be irreversible.

In response, the IFoA has formed a Working Party of volunteer members (“[Rationale for retirement behaviour Working Party](#)”) to focus on an individual’s decision-making at, and during, retirement. The Working Party has developed a concept of a game with intention to test users’ behaviour and explore whether their behaviour can be influenced by framing and feedback aspects. The key concerns are that individuals may underestimate how long they might live and, coupled with a bias towards their short-term needs, this could lead to many individuals facing poverty in old age.

1.2 Research

The vision of the Working Party is to make the game available to the public and has attracted attention from some of the publicly funded advisory services. In order to do so, it is necessary to have a robust research to inform how the game is presented, played, and summarised for players. Therefore, this research will provide credible “road-testing”, the input of behavioural economics thinking to influence players, without stifling their choices.

1.3 Timescale

The estimated start of the project is 18 April 2016 and the outputs of this research should be available by 15 July 2016.

1.4 Tender

The IFoA invites tenders from experienced research teams or organisations for the delivery of the research in accordance with this tender pack.

2 RESEARCH PROJECT

2.1 Background

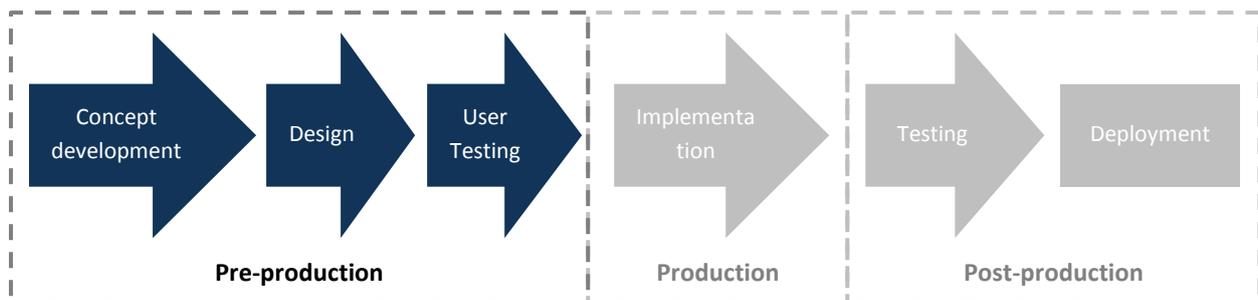
From April 2015, consumers have had greater choice about how they access their Defined Contribution (DC) pension savings. Given the new pension flexibility and the Guidance Guarantee, the Rationale for retirement behaviour Working Party developed a concept of a

game to assess decisions of individuals making at retirement. Crucially, decisions are not necessarily only made at retirement, so the player is asked to make choices every 10 years (this period could be altered), and receives feedback on the effect of their last set of decisions. The player effectively chooses how much income to take over the next 10 years and how to invest the balance of their funds.

Behind the game are 1,000 scenarios of movements in investment markets and inflation. Currently, scenarios are randomly-generated to produce deterministic outcomes but we are interested in how the stochastic nature of the model could be used to show the variability of outcomes (without over-complicating for the user).

The game will address an important issue following the flexibility in pensions: to educate consumers, in an impartial way, on the various options for providing for their income needs during retirement. Although the game is primarily focused on the UK market there is no reason why the concept of the game cannot be used by consumers in other parts of the world.

The following diagram illustrates the complete overview of the game development process. However, the scope of this tender only addresses the first phase – Pre-production.



A pilot version of the game was tested at the IFoA's Pensions Conference in June 2015, with over 70 players taking part and proving very encouraging feedback. The Working Party has also presented this at the "Current Highlights in Pensions" seminars at five locations around the UK in October and November 2015, again with a positive feedback.

2.2 Goals and Objectives

Changing the way information is communicated or framed can lead to differing responses. In order to make the game available to a wider audience the Working Party would like robust research to inform how the game is presented, what questions are asked and how are asked. With the input from a third party research team, the IFoA seeks to address the following objectives:

Objective 1: Concept Development and Design

Refine the content of the game by working collaboratively with the Rationale for retirement behaviour Working Party, and develop strategy on how to present the game in order to maximise its usefulness.

Objective 2: Testing and Analysis

Conduct tests with the target audience to assess their behaviour and explore whether their behaviour can be influenced by framing and feedback aspects.

2.3 Proposed Methodology

Since this research is concerned with human behaviour, it is expected that a qualitative approach will be used. Tenderers are invited to provide an overview of their proposed research method(s) which will be an important factor in the tender evaluation process. This may include number of different approaches for the IFoA to consider.

2.4 Target Audience for Research Outputs

The target audience for this game are people aged 55 and above, who are unlikely to seek/pay for financial advice and have pension savings of between £50,000 and £300,000.

The audience for the research itself is: Financial services providers; Policymakers, Government and Regulators; Consumers; and IFoA members.

3 SERVICE SPECIFICATION

3.1 Purpose and Expected Outcome

The IFoA is seeking to appoint a research team or organization to conduct the research set out under 2.2. The successful organization will provide input into, conduct, analyse and present the results of the research.

3.2 Scope of work and deliverables

The successful team or organization will:

1. Liaise with the IFoA in the design and finalizing of the game content.
2. Liaise with the IFoA to develop a strategy and provide suggestions on the presentation of the game in order to maximize its usefulness.
3. Recruit and administer the target audience.
4. Conduct tests with the target audience.
5. Analyse results.
6. Provide interim results to the IFoA – in the form of a presentation or similar.
7. Provide a full report on the research and results and provide recommendations on the approach in finalising the structure of the game.

3.3 Indicative timetable and structure

The following is very much an indicative timetable and the IFoA would welcome Tenderers' own thoughts on the timeline for the project.

Deliverable	Date
<i>Project start</i>	<i>18 April</i>
Design and finalise the content of the game	20 May
Develop a strategy on the presentation of the content	20 May
Conduct and administer tests	23 May – 17 June
Analyse results	20 June – 1 July
Provide interim results to the IFoA	8 July
Final report	15 July

3.4 Supervision of the project

The project will be supervised by the IFoA's Research and Knowledge Team, working with the Rationale for retirement behaviour Working Party.

The IFoA will assign a Project Manager to oversee the project. The Project Manager will work closely with the research team and the Working Party to ensure the project deliverables are being achieved and to address any issues arising.

The research team will provide the IFoA Project Manager with regular updates on the project. Reporting methods will be agreed by both parties, and a high degree of interaction with the IFoA project manager and the Working Party is expected. As a minimum, a project kick off and closure meeting are mandatory.

4 TENDER INFORMATION

4.1 Notice to Tenderers

This Request is being made available to Tenderers for their sole use and for purpose of assisting a Tenderer to prepare and submit a Tender to the IFoA in accordance with the requirements of this Request. It has been made available on the condition that it is used only in connection with the Project and for no other purpose.

Whilst prepared in good faith, this Request is intended only as preliminary background explanation of the Project. This Request does not purport to contain all of the information that a Tenderer may require. Any Tenderer considering tendering to the IFoA should make their own evaluation of the potential opportunity.

None of the IFoA nor its advisers or staff:

- Makes any representation or warranty (express or implied) as to the accuracy, reasonableness or completeness of this Request.
- Accept any responsibility for the information contained in this Request or for its fairness, accuracy or completeness.
- Shall 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.

Only the express terms of the final agreement (available on request) and other related contractual documents as and when they are executed shall have any contractual effect in connection with the Project. It should, however, be noted that this paragraph does not apply to paragraphs 4.2.3, 4.2.5 and 4.2.7 of this Request which shall have contractual effect.

4.2 Conditions of tendering

4.2.1 Right to cancel or vary the Process

The IFoA reserves the right to:

- cancel, abandon and/or withdraw from the contract opportunity and procurement process at any time and, therefore, not proceed with this Project or award the Agreement or any other contract connected to the Project; and/or
- require you to clarify your Tender in writing and/or provide additional information as the IFoA may reasonably require; and/or
- amend the terms and conditions of the tender process.

The IFoA reserves the right to issue supplementary documentation at any time during the tender process. All such further documentation issued by the IFoA shall supersede any part of the Request to the extent indicated.

The IFoA is in no way committed to accepting any Tender.

4.2.2 Right to reject and/or disqualify

The IFoA reserves the right not to consider your Tender for acceptance where:

- The Tender is submitted late, is completed incorrectly, is incomplete or fails to meet the IFoA's Submission Requirements; and/or
- There is a change in identity, control, financial standing or other factor affecting you; and/or

- The IFoA becomes aware that you have fixed or adjusted your prices or rates in agreement with any other person, communicated to any person the amount or approximate amount of your price (except where disclosure is made in confidence to obtain quotations for the preparation of your Tender) or that the information provided by you in your Tender is intentionally or unintentionally false, misleading or incorrect.

4.2.3 Costs and Expenses

You are solely responsible for your costs and expenses incurred in connection with the tender process, preparation and submission of your Tender, conduct of any subsequent clarification or any other aspect of this tender process.

4.2.4 Conflicts of Interest

The IFoA wishes to avoid or reconcile any conflicts of interest which may compromise its obligations to conduct an open and transparent competitive process. You must, therefore, ensure that participation in the tender process does not in any way compromise the IFoA's objectives in this regard.

If in doubt, the IFoA will ask that you declare potential conflicts of interest as soon as possible and inform the IFoA of the measures it intends to put in place to avoid or reconcile it occurring.

The IFoA will seek to agree any measures that are necessary to avoid or reconcile any conflict of interest or potential conflict of interest. In the event that an agreement cannot be reached, you may have to withdraw from the tender process.

4.2.5 Confidentiality

You agree to keep confidential this Request and all information provided therein. The information provided may be made available to your employees and professional advisers directly involved in tendering to the IFoA (who must also be made aware of the obligation of confidentiality) but shall not be copied, reproduced, distributed or otherwise made available to any other party in any circumstances without the prior written consent of the IFoA, nor may it be used for any other purpose other than that for which it is intended.

It is your responsibility to develop your Tenders to ensure that the requirements of this Request are fully satisfied.

The content of Tenders, or any other information provided by Tenderers in the course of tendering for this Project, or in the course of their subsequent appointment, may be disclosed by the IFoA to its employees, volunteers, working groups, committees, professional advisers or other regulatory bodies.

4.2.6 Canvassing and Collusion

Except as provided in the Request, you shall not approach staff of the IFoA with a view to providing information or clarification in respect of any part of your tender or proposals or attempting to support or enhance your prospects of being appointed as successful Tenderer.

Please sign and return with your Tender the Non-canvassing Certificate and the Anti-collusion Certificate.

4.2.7 Publicity

There must be no publicity by you regarding the Project or the future award of any agreement unless the IFoA has given express written consent to the relevant publicity.

4.2.8 Conditions of Contract

The main contractual terms include the following:

Standard of care

The IFoA requires that all works and activities to be undertaken with due care and attention notwithstanding that research may be exploratory or uncertain. In that respect, depending on the proposed use of the research, we do not usually look for guarantees or warranties as to what certain outcomes will be able to do but we do need care to be taken whilst the work is being undertaken.

Outputs

The outputs will be known at the time of applying for grants and will need to be included in the agreement. The payment of grants will be linked to the satisfactory completion of outputs.

Intellectual property

The starting point is for the IFoA to hold all intellectual property for research developed or arising through the course of the project, unless agreed in writing between the IFoA and the researchers.

VAT

The IFoA is an exempt body in terms of VAT where we are providing grants for research that meets the relevant criteria.

Publicity

All media releases, public announcements and public disclosures by the researchers relating to the Project, including promotional or marketing material, is subject to approval by the IFoA prior to release.

4.2.9 Sub-contracting

Please set out in your Tender if you intend to use sub-contractors to deliver the Project. You shall be fully responsible for all sub-contractors and must ensure all relevant terms and conditions are applied within any relevant sub-contract. For the avoidance of doubt, this includes the obligation of confidentiality.

4.2.10 Jurisdiction and Governing Law

The laws of England and Wales shall be applicable to the Request. The courts of England and Wales shall have exclusive jurisdiction in relation to any disputes arising from the Request.

5 TENDER EVALUATION CRITERIA

5.1 Evaluation procedure

The contract shall be awarded on the basis of quality and value for money. As a guide only, the IFoA intends to evaluate Tenders on the basis of the criteria set out below, but reserves the right to evaluate and award the contract as it sees fit.

In relation to quality, Tenderers will be assessed on the following criteria:

- Sophistication of researchers conducting user testing and their expertise in behavioural economics
- Capability of the researchers to identify, access and get engagement from the target audience
- Added value, for example, in terms of insight and analysis and experience with similar projects
- The fit with the Working Party
- Ability to work to project timescales
- Brand benefits/credibility

In relation to price, there will be an assessment comparing the different Tenderers. Tenderers must clearly demonstrate their breakdown of costs.

Appendix 1 details the type of information required in Tenderers' proposals.

5.2 Short Listing

Tenders may be short listed and invited to meet with the IFoA (at their own expense) to discuss their proposals.

5.3 Result

If a successful Tenderer is selected, the IFoA will notify the successful Tenderer of the outcome and shall start any relevant contract negotiations.

6 COMPLETION AND SUBMISSION REQUIREMENTS

6.1 Clarifications

Any questions about the project or the terms of this Request should be submitted to:

research@actuaries.org.uk

The IFoA shall respond within 2 working days.

The IFoA shall issue the response to any clarification to all other Tenderers.

You may be required by the IFoA to provide additional information supplementing or clarifying your Tender in order for the IFoA to evaluate Tenders. If so required, Tenderers are asked to respond within 5 working days of a request. Failure to respond to any request may result in you not being appointed as the successful Tenderer.

6.2 Content of Tender

Each Tender must consist of the following:

- A cost structure (See Appendix 1)
- A proposal for the delivery of the project (See Appendix 1)
- The Form of Tender (Appendix 2)
- Non-canvassing certificate (Appendix 3)
- Anti-collusion certificate (Appendix 4)

6.3 Submission of Tenders

Tenders should be returned electronically to research@actuaries.org.uk.

Tenders must be returned by e-mail no later than **12.00 noon GMT on 8 April 2016** and be clear, concise and formatted as follows:

- Language: English
- Financial: all financial information or data forming part of any Tender must be submitted in or converted to pounds sterling, inclusive of VAT.
- Signed by an authorised signatory for your organisation. In submitting a Tender it is assumed by the IFoA that the signatory is so authorised.

Any Tender received after the Tender Return Date may not be considered by the IFoA.

7 APPENDICES

Appendix 1

Cost Structure and Proposal for delivery of the Project

A. Cost structure

Please provide a breakdown of the expected costs incurred for the project, including VAT.

B. Quality

The following information must be included when submitting your proposal for the delivery of the project.

Organisation	<ul style="list-style-type: none">• Provide a profile of your organisation.• Include the location of the offices the allocated researchers will be working from.
Researchers	<ul style="list-style-type: none">• Provide evidence of the experience of the researchers conducting the research, including any similar research projects• Provide evidence of researchers' understanding of the subject matter and related issues.• Include a structure chart of the staff planned for deployment on this project, indicating their grade and line of reporting.• Provide examples of similar projects worked on in the past
Target audience	<ul style="list-style-type: none">• Provide details how you would identify and engage participants for the research• Provide details of relevant contacts your organization has liaised with and examples of engagement
Research structure	<ul style="list-style-type: none">• Provide details on the methodology you would employ and why.• Provide details of how you would plan to analyse any relevant data.• Provide details of the deliverables your organisation would expect to provide as outlined in Section 3.• Provide details of how the work will be quality assured.
Ability to work to project timescales	<ul style="list-style-type: none">• Provide draft project plan• Provide estimate of the time required and/or any issues foreseen with the timelines outlined in Section 3.2.
Brand	<ul style="list-style-type: none">• Provide a list of clients you have delivered similar projects for.

Appendix 2

Form of Tender

Institute and Faculty of Actuaries
Level 2 Exchange Crescent
7 Conference Square
EDINBURGH
EH3 8RA

Dear Sirs,

Tender for Rationale for Retirement Behaviour

We have satisfied ourselves as to the nature of the IFoA's requirements for the Project and offer to provide the services in accordance with your Request for the price(s) set out in our Tender.

We acknowledge the terms of paragraph 4.2.8 of the Request and agree to work with the IFoA to execute a final agreement, if successful.

Our Tender shall be open to acceptance for a period of 30 days after the Tender Return Date.

We confirm that our Tender is signed by a duly authorised signatory of the Tenderer who has full legal authority to sign on behalf of the Tenderer.

Tenderer's Name (Print)	
Tenderer's Signature	
Company Name and Address	
Witness Name (Print)	
Witness Signature	
Date	

Appendix 3

Non-Canvassing Certificate

This certificate is required to be signed by the Tenderer (or each member of the consortium team if applicable) and returned to the IFoA with the Tender.

Name of Tenderer

.....

I/we* hereby undertake that I/we* have not canvassed or solicited, nor will in the future, canvas or solicit the IFoA or any officer or employee thereof in connection with the award of this Tender and that the persons employed by me/us* acting on my/our* behalf have not nor will not do any such act.

In this certificate, the word "person" includes any persons and any body or association, corporate or unincorporated and "agreement" or "arrangement" include any such transaction, whether formal or informal, legally binding or not.

Signature of authorised officer of the Tenderer:

.....

Name

.....

Date

.....

* Delete as appropriate

Appendix 4

Anti-Collusion Certificate

1. We certify that this Tender is made in good faith, and that we have not fixed or adjusted the amount of Tender by, under or in accordance with any agreement or arrangement with any other person. We also certify that we have not and we undertake that we will not, before the award of any Agreement for the Project:
 - (a). communicate to any person other than the IFoA or a person duly authorised by them on their behalf the amount or appropriate amount of the Tender or proposed Tender, except where disclosure, in confidence, of the approximate amount of the Tender was necessary to obtain insurance premium quotations required for the preparation of the Tender;
 - (b). enter into any agreement or arrangement with any person that they shall refrain from participating in tendering for the Project, that they shall withdraw any Tender once offered or vary the amount of any Tender to be submitted to the IFoA;
 - (c). pay, give or offer to pay or give any sum of money or other valuable consideration directly or indirectly to any person or doing or having done or causing or having cause to be done in relation to any other Tender or proposed submission for the Project, any act of thing of the sort described above.
2. We further certify that the principles described above have been, or will be, brought to the attention of all suppliers and associated companies providing services on materials connected with the Tender (if so applicable) and any contract entered into with such suppliers or associated companies shall be made on the basis of compliance with the above principles by all parties.
3. In this certificate, the word "person" includes any persons or any body or association, corporate or unincorporated; "any" means any agreement or arrangement; "arrangement" includes any transaction, formal or informal and whether binding or not; and "the Project" means the Project in relation to which this Tender is made.

Signature of authorised officer of the Tenderer:

.....

Name

.....

Date

.....