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**Germany-Frankfurt-on-Main: ECB - Investment manager services for the ECB's pension fund
2015/S 243-440502**

Contract notice

Services

Directive 2004/18/EC

Section I: Contracting authority

I.1) Name, addresses and contact point(s)

European Central Bank
Sonnemannstraße 22
For the attention of: Ellinoora Peltonen
60314 Frankfurt-on-Main
GERMANY
Telephone: +49 6913440
E-mail: procurement@ecb.europa.eu
Fax: +49 6913447110

Internet address(es):

General address of the contracting authority: <http://www.ecb.europa.eu>

Further information can be obtained from: The above mentioned contact point(s)

Specifications and additional documents (including documents for competitive dialogue and a dynamic purchasing system) can be obtained from: The above mentioned contact point(s)

Tenders or requests to participate must be sent to: The above mentioned contact point(s)

I.2) Type of the contracting authority

European institution/agency or international organisation

I.3) Main activity

Economic and financial affairs

I.4) Contract award on behalf of other contracting authorities

The contracting authority is purchasing on behalf of other contracting authorities: no

Section II: Object of the contract

II.1) Description

II.1.1) Title attributed to the contract by the contracting authority:

Investment manager services for the ECB's pension fund.

II.1.2) Type of contract and location of works, place of delivery or of performance

Services

Service category No 6: Financial services a) Insurances services b) Banking and investment services

Main site or location of works, place of delivery or of performance: Frankfurt-on-Main and at the contractor's premises.

NUTS code DE712

II.1.3) Information about a public contract, a framework agreement or a dynamic purchasing system (DPS)

The notice involves a public contract

II.1.4) **Information on framework agreement**

II.1.5) **Short description of the contract or purchase(s)**

The ECB is seeking to appoint 2 external investment managers for the pension funds for ECB staff. The pension funds are ECB assets currently managed as segregated unitised accounts, including 7 standard asset classes. The management task will be split into 2 mandates that will be awarded to different external managers.

II.1.6) **Common procurement vocabulary (CPV)**

66141000

II.1.7) **Information about Government Procurement Agreement (GPA)**

The contract is covered by the Government Procurement Agreement (GPA): yes

II.1.8) **Lots**

This contract is divided into lots: no

II.1.9) **Information about variants**

Variants will be accepted: no

II.2) **Quantity or scope of the contract**

II.2.1) **Total quantity or scope:**

Overview:

The ECB is seeking 2 investment managers for the management of its pension fund assets. The managers are expected to have the ability to run global passive mandates on the basis of several segregated, unitised accounts for equity and fixed income assets. For some asset classes, pooled funds may be considered.

The ECB aims to select the 2 investment managers in parallel (where available). To this end, the overall management of the pension fund will be split into 2 mandates (mandate A and B) which will be covered by 2 service contracts. The 2 mandates will be identical in terms of the asset classes under management, but different in terms of both the amount of assets under management at the outset and the pace of growth due to pension contributions. The split into 2 mandates reflects the ECB's aim to diversify manager risks and to evaluate and manage the contractual performance of the investment managers via periodic reviews for the duration of the contracts.

Candidates are required to bid for both mandates. The candidates are expected to be able to provide services regarding both mandates, so as to ensure the interchangeability of the mandates in case of need. The evaluation of the candidates will be conducted on the basis of identical selection and evaluation criteria for both mandates; therefore it will establish 1 consolidated ranking. The first-ranked tenderer will be asked to decide which one of the 2 mandates it wishes to manage. The second-ranked tenderer will be awarded a contract covering the remaining mandate.

Initial assets under management (AuM) in mandate A are expected to amount to around 360 000 000 EUR at the inception of the mandate, while AUM for mandate B are expected to amount to around 600 000 000 EUR. Mandate A is expected to grow faster.

The ECB is seeking a solutions-based approach for the management of these assets including, for example, advice on optimal deviation bands (that allow for a temporary deviation from the strategic asset allocation weights), optimal rebalancing rules (back to the strategic asset allocation) for the different asset classes and potential ways to incorporate a socially responsible investment (SRI) approach for the entire ECB pension fund.

Taking into account the current strategic asset allocation, the investment managers are expected to manage the following asset classes: euro area equities, non-euro area developed market equities, emerging market equities, euro area sovereign bonds, euro area inflation-linked sovereign bonds, euro corporate bonds and euro cash.

The custodian for the pension funds will be awarded in parallel and investment managers are expected to collaborate with the selected custodian.

Contract:

The ECB envisages concluding contracts with 2 investment managers for an initial period of 96 months.

The contracts could be further extended for a period of 24 months, subject to an independent review and its conclusion that the service levels and the prices are in line with market practices.

The successful candidates will be required to sign service contracts with the ECB. The contracts are envisaged to start as soon as possible, but not earlier than the first quarter of 2017. The changeover period to new investment managers, including the preparation, the implementation and the completion of the transition, is envisaged to last no longer than 1 month. The shortlisted candidates will be informed in more detail regarding the contractual conditions as part of the invitation to tender documentation.

II.2.2) Information about options

Options: yes

Description of these options: Both contracts will contain an option for additional services consisting of taking over the mandate of the other contractor, as a whole or in part, in case that contract terminates or the mandate cannot be properly performed any longer.

II.2.3) Information about renewals

This contract is subject to renewal: yes

Number of possible renewals: Range: between 1 and 2

II.3) Duration of the contract or time limit for completion

Duration in months: 120 (from the award of the contract)

Section III: Legal, economic, financial and technical information

III.1) Conditions relating to the contract

III.1.1) Deposits and guarantees required:

No deposit required.

III.1.2) Main financing conditions and payment arrangements and/or reference to the relevant provisions governing them:

Details will be set out in the invitation to tender that will be sent to shortlisted candidates.

III.1.3) Legal form to be taken by the group of economic operators to whom the contract is to be awarded:

Please see the details in the documentation to be requested from the contact point indicated in Sections I.1 and VI.3.

III.1.4) Other particular conditions

The performance of the contract is subject to particular conditions: yes

Description of particular conditions: Please see the details in the documentation to be requested from the contact point indicated in Sections I.1 and VI.3.

III.2) Conditions for participation

III.2.1) Personal situation of economic operators, including requirements relating to enrolment on professional or trade registers

Information and formalities necessary for evaluating if the requirements are met: Information on the requirements:

The tender procedure shall be open on equal terms to all natural or legal persons resident or located in the European Union and to all natural and legal persons resident or located in a country which has ratified the World

Trade Organisation Agreement on Government Procurement or has concluded with the European Union a bilateral agreement on procurement under the conditions laid down in the said agreements.

The ECB shall exclude candidates that are in one of the situations described in Article 24(4) of Decision of the European Central Bank (ECB/2007/5) (e.g. conviction for fraud or corruption) or put on a blacklist in accordance with Article 24(7) of Decision of the European Central Bank (ECB/2007/5). Candidates that have been convicted for one of the reasons outlined in Article 24(4) may still be invited to tender on the basis of Article 24(7), subject to the ECB's discretion taking into account measures taken by the candidate to avoid similar offences in the future.

The ECB may exclude candidates that are in one of the situations described in Article 24(5) of Decision of the European Central Bank (ECB/2007/5) (e.g. insolvency; grave professional misconduct; misrepresentation).

The ECB shall exclude the candidates that do not have a certificate for the quality of internal control systems. This includes ISAE 3402, SSAE 16 or equivalent.

The ECB shall exclude the candidates that are not signatories of the United Nations Principles of Responsible Investment (UNPRI) or of any other type of social responsible investment principles and have a verifiable performance record covering, at least, 2 years in managing at least 1 active or passive equity or bond mandate that applies socially responsible investment (SRI) considerations in the investment process, including a description of the SRI criteria applied.

The ECB shall exclude the candidates that do not confirm that they are willing to work with the custodian selected by the ECB.

Please see the details in the documentation to be requested from the contact point indicated in Sections I.1 and VI.3.

Information on the formalities:

The candidates must fill in and submit the annexes to the call for application documentation, which may be requested from the contact point indicated in Sections I.1 and VI.3.

III.2.2) **Economic and financial ability**

Information and formalities necessary for evaluating if the requirements are met: The candidates must fill in and submit the annexes to the call for application documentation, which may be requested from the contact point indicated in Sections I.1 and VI.3.

Minimum level(s) of standards possibly required: Candidates must meet the following minimum requirements: Total institutional assets under management (AuM) as of September 2015 must be at least 15 000 000 000 EUR and total institutional AuM following passive mandates must be at least 10 000 000 000 EUR.

III.2.3) **Technical capacity**

Information and formalities necessary for evaluating if the requirements are met:

The candidates must fill in and submit the annexes to the call for application documentation, which may be requested from the contact point indicated in Sections I.1 and VI.3.

Minimum level(s) of standards possibly required:

The candidate must have:

Proven performance record, covering the period from 1.1.2013 up to and including 30.9.2015, in managing on an index tracking basis (passive management) for each of the following asset classes:

- (i) developed market equities;
- (ii) emerging market equities;
- (iii) inflation-linked bonds;
- (iv) euro corporate bonds;
- (v) euro area sovereign bonds.

A track record managing euro money market funds. There is an exception for inflation-linked bonds where candidates may solely have active mandates rather than passive.

Proven experience in managing equity and fixed income mandates via segregated accounts for institutional investors. A segregated account is an account in which the assets belong to 1 client only, i.e., funds are held separately from the funds of other clients and from the asset manager company's own assets.

The ability to unitise segregated accounts.

III.2.4) **Information about reserved contracts**

III.3) **Conditions specific to services contracts**

III.3.1) **Information about a particular profession**

Execution of the service is reserved to a particular profession: no

III.3.2) **Staff responsible for the execution of the service**

Legal persons should indicate the names and professional qualifications of the staff responsible for the execution of the service: yes

Section IV: Procedure

IV.1) **Type of procedure**

IV.1.1) **Type of procedure**

Negotiated

Some candidates have already been selected (if appropriate under certain types of negotiated procedures)

no

IV.1.2) **Limitations on the number of operators who will be invited to tender or to participate**

Envisaged minimum number 5: and maximum number 8

Objective criteria for choosing the limited number of candidates: Please see the details in the documentation to be requested from the contact point indicated in Sections I.1 and VI.3.

IV.1.3) **Reduction of the number of operators during the negotiation or dialogue**

Recourse to staged procedure to gradually reduce the number of solutions to be discussed or tenders to be negotiated yes

IV.2) **Award criteria**

IV.2.1) **Award criteria**

The most economically advantageous tender in terms of the criteria stated in the specifications, in the invitation to tender or to negotiate or in the descriptive document

IV.2.2) **Information about electronic auction**

An electronic auction will be used: no

IV.3) **Administrative information**

IV.3.1) **File reference number attributed by the contracting authority:**

PRO-000976.

IV.3.2) **Previous publication(s) concerning the same contract**

no

IV.3.3) **Conditions for obtaining specifications and additional documents or descriptive document**

Time limit for receipt of requests for documents or for accessing documents: 22.1.2016 - 17:00

Payable documents: no

IV.3.4) **Time limit for receipt of tenders or requests to participate**

25.1.2016 - 18:00

IV.3.5) **Date of dispatch of invitations to tender or to participate to selected candidates**

IV.3.6) **Language(s) in which tenders or requests to participate may be drawn up**
English.

IV.3.7) **Minimum time frame during which the tenderer must maintain the tender**

IV.3.8) **Conditions for opening of tenders**

Section VI: Complementary information

VI.1) **Information about recurrence**

This is a recurrent procurement: no

VI.2) **Information about European Union funds**

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

VI.3) **Additional information**

The documentation for this procurement can be downloaded from an Internet platform. If you are interested in participating in the procurement procedure please register via the Internet platform using the following Internet address, user name and password:

User ID: 26951/H/RCO/2013

Password: B5E517

Internet address: <https://www.ecb.europa.eu/secure/procurement/>

After you have registered an e-mail will be sent to you with a new user name and password. The Internet address will remain the same. Please use the new user name and password to download the application documentation.

However, your mere registration and downloading the documentation does not constitute an application. You must submit your application in hard copy version to the ECB, on time, in the format requested and including the content as further instructed in the application documentation.

Should you experience any problems in accessing the Internet platform for registration and/or downloading the application documentation please do not hesitate to contact the ECB at the following e-mail address: procurement@ecb.europa.eu quoting the procurement number and problem experienced. The ECB shall endeavour to answer all queries concerning access as quickly as possible but cannot guarantee a minimum response time. The ECB shall not be bound to reply to queries received less than 7 calendar days before the time limit for the submission of applications.

The tender procedure shall be open on equal terms to all natural or legal persons resident or located in the European Union and to all natural and legal persons resident or located in a country which has ratified the World Trade Organisation Agreement on Government Procurement or has concluded with the European Union a bilateral agreement on procurement under the conditions laid down in the said agreements.

The tender procedure is conducted in accordance with Decision of the European Central Bank of 3.7.2007 laying down the Rules on Procurement (ECB/2007/5) (as amended), available on the ECB website at <http://www.ecb.europa.eu> (please look for the link 'for suppliers').

During the tender procedure tenderers shall not contact any other ECB staff members or organisations/persons working for the ECB with regard to this tender procedure other than the person indicated in Section I.1).

Tenderers shall also not contact potential competitors unless they intend to form a temporary grouping with them or to involve them as subcontractors. Any violation of this communication rule may lead to the exclusion of the tenderer in question.

VI.4) **Procedures for appeal**

VI.4.1) **Body responsible for appeal procedures**

Procurement Review Body of the ECB, c/o Legal Advice Team

Sonnemannstraße 22
60314 Frankfurt-on-Main
GERMANY
Telephone: +49 6913440
Fax: +49 6913446886

Body responsible for mediation procedures

European Ombudsman
1 avenue du Président Robert Schuman
67001 Strasbourg
FRANCE

VI.4.2) **Lodging of appeals**

Precise information on deadline(s) for lodging appeals: 15 days from the receipt of the information specified in Article 28(3) of Decision of the European Central Bank of 3.7.2007 laying down the Rules on Procurement (ECB/2007/5) or, if no information is requested, 15 days from the receipt of the notification to unsuccessful tenderers. Further requirements are outlined in Article 33 of this Decision. A complaint to the European Ombudsman does not affect the deadline for lodging appeals.

VI.4.3) **Service from which information about the lodging of appeals may be obtained**

Central Procurement Office
Sonnemannstraße 22
60314 Frankfurt-on-Main
GERMANY
Telephone: +49 6913440

VI.5) **Date of dispatch of this notice:**

4.12.2015