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Award

Investment Management System ("IMS")

BRITISH BUSINESS BANK PLC

F15: Voluntary ex ante transparency notice

Notice identifier: 2023/S 000-008087

Procurement identifier (OCID): ocds-h6vhtk-03b487

Published 20 March 2023, 6:29pm

Section I: Contracting authority/entity

I.1) Name and addresses

BRITISH BUSINESS BANK PLC

Steel City House, 2 West Street City Centre

SHEFFIELD

S12GQ

Email

Procurement@british-business-bank.co.uk

Country

United Kingdom

Region code

UKE32 - Sheffield

Companies House

08616013

Internet address(es)

Main address

www.british-business-bank.co.uk

I.4) Type of the contracting authority

Body governed by public law

I.5) Main activity

Economic and financial affairs

Section II: Object

II.1) Scope of the procurement

II.1.1) Title

Investment Management System ("IMS")

II.1.2) Main CPV code

- 72000000 - IT services: consulting, software development, Internet and support

II.1.3) Type of contract

Services

II.1.4) Short description

The Authority's intention is to award an investment management system ("IMS") contract ("Contract") to BlackRock, relying on the exemption in Regulation 32(2)(b)(ii) of the Public Contracts Regulations 2015 to use the negotiated procedure without prior publication, on the basis that competition is absent for technical reasons.

The IMS will allow the Authority to manage the full investment administration cycle of its debt and equity portfolio ("Portfolio"). The Contract covers implementation, migration support, professional services, licensing, and maintenance.

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: £890,000

II.2) Description

II.2.3) Place of performance

NUTS codes

- UK - United Kingdom

II.2.4) Description of the procurement

The Authority's intention is to award an investment management system ("IMS") contract ("Contract") to BlackRock, relying on the exemption in Regulation 32(2)(b)(ii) of the Public Contracts Regulations 2015 to use the negotiated procedure without prior publication, on the basis that competition is absent for technical reasons.

The IMS will allow the Authority to manage the full investment administration cycle of its debt and equity portfolio ("Portfolio"). The Contract covers implementation, migration support, professional services, licensing, and maintenance.

The Authority considers that the Contract can be supplied only by BlackRock through its eFront Invest solution as BlackRock is uniquely able to provide certain mandatory requirements of the Authority's specification.

The Authority reached that conclusion after the following due diligence process:

- Engagement of an external consultancy with expertise in this area to prepare a market analysis of options available against the Authority's service requirements and technical specification
- An "RFI" was undertaken with a shortlist of suppliers identified by the external consultancy ("Suppliers") to understand the technical capability and compatibility of the systems with the Authority's mandatory requirements and the unique breadth of its Portfolio both in its current and future state
- An options report was prepared by the external consultancy which identified eFront Invest as the only solution able to meet the Authority's mandatory requirements, specifically in relation to fee and waterfall modelling, API connectivity to ensure effective data ingestion and system integration and the level of coverage required to support the Portfolio

- The Authority's business architect completed a comparative analysis of the Suppliers' sample offerings. This analysis concluded that the eFront Invest offers a solution that can support the Portfolio, and that it has inbuilt functionality to support fee and waterfall modelling, flagging that these are mandatory requirements

This due diligence established that alternative suppliers could not meet the Authority's mandatory requirements. Specifically, BlackRock is uniquely able to provide fee and waterfall modelling, API connectivity to ensure effective data ingestion and system integration, and the level of coverage required to support the Portfolio.

Moreover, the only available alternatives to eFront Invest would incur unacceptable operational and accuracy risks including:

- incurring operational and data accuracy risks due to managing multiple software solutions and using manual data entry input
- A disaggregated solution increasing the risk of error
- Inability to deliver on reporting and wider obligations to UK Government
- The incompatibility of the alternative solutions to the Authority's underlying infrastructure could impact the traceability and transparency levels required to meet audit and reporting requirements which could also incur reputational risk
- The lack of a full-service solution across all current and future requirements would create the need to maintain and potentially increase manual steps and End User Computing Solutions outside operational risk tolerance

The Authority is confident that for the outlined reasons no reasonable alternative or substitute exists to eFront Invest. The Authority is also confident that its specification is reasonable and has not been artificially narrowed or constructed in such a way that only eFront Invest would be able to meet its requirements.

II.2.11) Information about options

Options: No

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 procurement falls outside the scope of application of the regulations

Explanation:

The Authority's intention is to award an investment management system ("IMS") contract ("Contract") to BlackRock, relying on the exemption in Regulation 32(2)(b)(ii) of the Public Contracts Regulations 2015 to use the negotiated procedure without prior publication, on the basis that competition is absent for technical reasons.

The IMS will allow the Authority to manage the full investment administration cycle of its debt and equity portfolio ("Portfolio"). The Contract covers implementation, migration support, professional services, licensing, and maintenance.

The Authority considers that the Contract can be supplied only by BlackRock through its eFront Invest solution as BlackRock is uniquely able to provide certain mandatory requirements of the Authority's specification.

The Authority reached that conclusion after the following due diligence process:

- Engagement of an external consultancy with expertise in this area to prepare a market analysis of options available against the Authority's service requirements and technical specification
- An "RFI" was undertaken with a shortlist of suppliers identified by the external consultancy ("Suppliers") to understand the technical capability and compatibility of the systems with the Authority's mandatory requirements and the unique breadth of its Portfolio both in its current and future state
- An options report was prepared by the external consultancy which identified eFront Invest as the only solution able to meet the Authority's mandatory requirements, specifically in relation to fee and waterfall modelling, API connectivity to ensure effective data ingestion and system integration and the level of coverage required to support the Portfolio
- The Authority's business architect completed a comparative analysis of the Suppliers'

sample offerings. This analysis concluded that the eFront Invest offers a solution that can support the Portfolio, and that it has inbuilt functionality to support fee and waterfall modelling, flagging that these are mandatory requirements

This due diligence established that alternative suppliers could not meet the Authority's mandatory requirements. Specifically, BlackRock is uniquely able to provide fee and waterfall modelling, API connectivity to ensure effective data ingestion and system integration, and the level of coverage required to support the Portfolio.

Moreover, the only available alternatives to eFront Invest would incur unacceptable operational and accuracy risks including:

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

The procurement is covered by the Government Procurement Agreement: No

Section V. Award of contract/concession

A contract/lot is awarded: Yes

V.2) Award of contract/concession

V.2.1) Date of conclusion of the contract

17 March 2023

V.2.2) Information about tenders

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

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

eFront Limited

London

Country

United Kingdom

NUTS code

- UK - United Kingdom

Companies House

03650489

The contractor/concessionaire is an SME

Yes

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

Total value of the contract/lot/concession: £890,000

Section VI. Complementary information

VI.3) Additional information

Please note any dates provided in connection with the contract term are anticipated only.

If any provider has any questions in relation to the commissioning intentions that are outlined within this VEAT notice, please raise this via procurement@british-business-bank.co.uk.

VI.4) Procedures for review

VI.4.1) Review body

High Court of Justice

London

Country

United Kingdom