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Opportunity

Government Actuary's Department - Stochastic Economic Scenarios

Government Actuary Department

F02: Contract notice

Notice reference: 2021/S 000-016481

Published: 14 July 2021, 1:03pm

Section I: Contracting authority

I.1) Name and addresses

Government Actuary Department

Finlaison House,15-17 Furnival Street

LONDON

EC4A1AB

Contact

Charles Pettit

Email

procurement@gad.gov.uk

Telephone

+44 7305605377

Country

United Kingdom

NUTS code

UK - United Kingdom

Internet address(es)

Main address

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

I.3) Communication

The procurement documents are available for unrestricted and full direct access, free of charge, at

<https://www.contractsfinder.service.gov.uk/Notice/92b4b397-37cf-411d-8cf7-b90f5ef2f744>

Additional information can be obtained from the above-mentioned address

Tenders or requests to participate must be submitted electronically via

<https://www.contractsfinder.service.gov.uk/Notice/92b4b397-37cf-411d-8cf7-b90f5ef2f744>

I.4) Type of the contracting authority

National or federal Agency/Office

I.5) Main activity

Economic and financial affairs

Section II: Object

II.1) Scope of the procurement

II.1.1) Title

Government Actuary's Department - Stochastic Economic Scenarios

II.1.2) Main CPV code

- 66519600 - Actuarial services

II.1.3) Type of contract

Services

II.1.4) Short description

A key part of our advice relates to, or relies on, the potential outturns for key economic variables - in particular in relation to asset returns, inflation and future interest rates. To support our advice in this area, GAD are looking to tender for a contract for the provision of a set of stochastic economic scenarios ("scenarios", "scenario set" or "economic scenario file").

The economic scenario file should contain stochastic forecasts of economic scenarios covering inflation, interest rates, credit, derivatives, FX and a range of asset classes. The scenarios are used in several areas of our advice, particularly for asset liability model runs for pension schemes, and are used to examine and illustrate the potential range of possible future outcomes.

We require that a set of scenarios be provided to us regularly, at least quarterly, over the period of the contract. We also required that the scenarios:

- i) are based on sound economic principles and methods;
- ii) are calibrated to reflect the market and economic conditions at the effective date of the calibration to ensure consistency with the date at which they are used; and
- iii) are calibrated to reflect either the provider's own view or GAD's own house-view on the long-term outcome for key economic variables in the scenario set.

GAD does not currently have a current provider of this service, though we have previously purchased one-off calibrations to support particular projects.

In addition to the standard scenario files based on these principles, it is standard actuarial practice to consider other plausible assumptions and demonstrate the sensitivity of our advice to other assumptions. To inform this, we also require the ability to generate additional scenarios based on alternative views and calibration parameters and/or carry out stress testing on the scenario set.

GAD recognises that it may also be possible to procure access to an "economic scenario model" to provide the capability for GAD to produce the scenarios files described above ourselves. Due to current levels of capacity and capability, our preference is for the scenario sets to be provided to us based on calibration targets, adjustments and stresses that are discussed and agreed with the supplier. It is therefore essential that tenderers have the capability to deliver scenarios to us directly. However, depending on the level of capacity and capability required to maintain and run such models ourselves, GAD are interested to explore this as an additional service and tenderers are invited to disclose such service provision in their response.

Tenders for must be submitted via email to procurement@gad.gov.uk. Failure to do so may result in the tender response not being processed or the response being automatically disqualified during the evaluation stage of the tender process.

II.1.5) Estimated total value

Value excluding VAT: £10,000

II.1.6) Information about lots

This contract is divided into lots: No

II.2) Description

II.2.2) Additional CPV code(s)

- 66519600 - Actuarial services

II.2.3) Place of performance

NUTS codes

- UK - United Kingdom

II.2.4) Description of the procurement

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variables - in particular in relation to asset returns, inflation and future interest rates. To support our advice in this area, GAD are looking to tender for a contract for the provision of a set of stochastic economic scenarios ("scenarios", "scenario set" or "economic scenario file").

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II.2.5) Award criteria

Price is not the only award criterion and all criteria are stated only in the procurement documents

II.2.6) Estimated value

Value excluding VAT: £10,000

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

Duration in months

36

This contract is subject to renewal

Yes

Description of renewals

Option to extend the contract by 2 years and the option of a 2 year break clause.

II.2.10) Information about variants

Variants will be accepted: Yes

II.2.11) Information about options

Options: No

Section III. Legal, economic, financial and technical information

III.1) Conditions for participation

III.1.1) Suitability to pursue the professional activity, including requirements relating to enrolment on professional or trade registers

List and brief description of conditions

See Invitation to Tender through link -

<https://www.contractsfinder.service.gov.uk/Notice/92b4b397-37cf-411d-8cf7-b90f5ef2f744>

III.1.2) Economic and financial standing

Selection criteria as stated in the procurement documents

III.1.3) Technical and professional ability

Selection criteria as stated in the procurement documents

III.2) Conditions related to the contract

III.2.2) Contract performance conditions

See Invitation to Tender through link -

<https://www.contractsfinder.service.gov.uk/Notice/92b4b397-37cf-411d-8cf7-b90f5ef2f744>

Section IV. Procedure

IV.1) Description

IV.1.1) Type of procedure

Open procedure

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

The procurement is covered by the Government Procurement Agreement: Yes

IV.2) Administrative information

IV.2.2) Time limit for receipt of tenders or requests to participate

Date

11 August 2021

IV.2.4) Languages in which tenders or requests to participate may be submitted

English

IV.2.7) Conditions for opening of tenders

Date

25 August 2021

Local time

11:00pm

Section VI. Complementary information

VI.1) Information about recurrence

This is a recurrent procurement: No

VI.2) Information about electronic workflows

Electronic invoicing will be accepted

VI.3) Additional information

See Invitation to Tender through link -

<https://www.contractsfinder.service.gov.uk/Notice/92b4b397-37cf-411d-8cf7-b90f5ef2f744>

VI.4) Procedures for review

VI.4.1) Review body

Appraisal Panel

Finlaison House

London

EC4A 1AB

Email

procurement@gad.gov.uk

Country

United Kingdom

VI.4.3) Review procedure

Precise information on deadline(s) for review procedures

See Invitation to Tender through link -

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