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Contract

Economic Scenario Files

Government Actuary Department

F03: Contract award notice

Notice identifier: 2024/S 000-024497

Procurement identifier (OCID): ocds-h6vhtk-02c7d3

Published 5 August 2024, 1:03pm

Section I: Contracting authority

I.1) Name and addresses

Government Actuary Department

10 South Colonnade

London

E14 4BU

Email

GADCommercial@gad.gov.uk

Country

United Kingdom

Region code

UKI42 - Tower Hamlets

Justification for not providing organisation identifier

Not on any register

Internet address(es)

Main address

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

I.4) Type of the contracting authority

Ministry or any other national or federal authority

I.5) Main activity

Economic and financial affairs

Section II: Object

II.1) Scope of the procurement

II.1.1) Title

Economic Scenario Files

Reference number

CON005

II.1.2) Main CPV code

- 79311400 - Economic research services

II.1.3) Type of contract

Services

II.1.4) Short description

The Government Actuary's Department is seeking a Provider to provide stochastic

simulations of economic scenarios and asset returns.

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: £10,000

II.2) Description

II.2.2) Additional CPV code(s)

- 79311400 - Economic research services

II.2.3) Place of performance

NUTS codes

- UK - United Kingdom

II.2.4) Description of the procurement

The Government Actuary's Department ('GAD') is a non-ministerial Government department with a

mission to improve the stewardship of public sector finances by supporting effective decisionmaking and robust financial reporting through actuarial analysis, modelling and advice. We provide

actuarial solutions including financial risk analysis, modelling and advice to support the UK public

sector. We apply the actuarial profession's technical skills, consultancy discipline, high standards

of professionalism and industry sector knowledge to solve financial challenges faced by the UK

public sector.

GAD is currently advising a client who requires analysis of future asset and liability outcomes.

To

support our advice in this area, GAD are looking to tender for a contract for the provision of a stochastic real-world economic scenario set ("scenario set" or "economic scenario file").

The

economic scenario file should contain stochastic forecasts of economic scenarios covering

investment returns for a range of asset classes, as well as inflation measures, for a retail investor

in the UK.

GAD already receives quarterly scenario sets from our regular projection provider and this contract

is a one-off exercise to supplement those projections, to help us test the sensitivity of our analysis

to the selected scenarios. While the focus of this work is to satisfy the requirements of a single

Government Actuary's Department - Invitation to Tender - Economic Scenarios

19

client, we reserve the right to use any scenario sets provided to us as part of this contract in work

for other clients where we deem it to be applicable.

We require an initial scenario set calibrated with an effective date as at or before 31 December

2023 and delivered as soon as possible after the tender is awarded. This calibration should be

based on standard assumptions that reflect the provider's own views.

Based on this scenario set and subsequent engagement between the supplier, GAD and the

client, additional scenarios set may be required. Depending on the views of the client, the potential

outcomes include:

- No additional scenario sets are required.
- One or more additional scenario sets, which reflect the provider's own views, are required.
- One or more additional scenario sets, adjusted in consultation with GAD and the client, are required.

These additional scenario sets will be calibrated with an effective date as at or after 31 December

2023. These additional scenario sets will be covered under this contract (ie separate procurement

exercises will not be conducted). Based on our current timelines, GAD expect we will only require

one additional scenario set, if any additional scenario sets are required.

Please highlight in your costings the impact of these different options.

We also require that the scenarios:

- Are based on sound economic principles and methods.
- Are calibrated to reflect the market and economic conditions at the effective date to ensure consistency with the date at which they are used.
- Are calibrated to reflect the provider's own view on the long-term outcome for key economic variables in the scenario set, with any changes as required based on consultation with GAD and our client.

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.

The outcome of this analysis will be published publicly, alongside some detail of the underlying

asset and liability assumptions. This published information could include details of the asset return

and inflation assumptions.

II.2.5) Award criteria

Quality criterion - Name: Quality Criteria / Weighting: 25

Quality criterion - Name: Service Provision / Weighting: 15

Quality criterion - Name: Technical Specification / Weighting: 35

Price - Weighting: 25

II.2.11) Information about options

Options: No

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: No

IV.2) Administrative information

IV.2.1) Previous publication concerning this procedure

Notice number: [2021/S 000-016481](#)

Section V. Award of contract

A contract/lot is awarded: Yes

V.2) Award of contract

V.2.1) Date of conclusion of the contract

15 February 2024

V.2.2) Information about tenders

Number of tenders received: 4

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

V.2.3) Name and address of the contractor

Conning Holdings Limited

24 Monument Street

London

EC3R 8AJ

Country

United Kingdom

NUTS code

- UK - United Kingdom

Companies House

09632069

The contractor is an SME

No

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

Initial estimated total value of the contract/lot: £10,000

Total value of the contract/lot: £10,000

Section VI. Complementary information

VI.4) Procedures for review

VI.4.1) Review body

Government Actuary's Department

London

Country

United Kingdom