

This is a published notice on the Find a Tender service: <https://www.find-tender.service.gov.uk/Notice/034571-2023>

Contract

Equity Overlay / Downside Risk Management

Wirral Borough Council

F03: Contract award notice

Notice identifier: 2023/S 000-034571

Procurement identifier (OCID): ocds-h6vhtk-03928d

Published 22 November 2023, 2:59pm

Section I: Contracting authority

I.1) Name and addresses

Wirral Borough Council

Wallasey Town Hall, Brighton Street

Wallasey

CH44 8ED

Email

tenders@wirral.gov.uk

Telephone

+44 1516062002

Country

United Kingdom

Region code

UKD74 - Wirral

Internet address(es)

Main address

<http://www.wirral.gov.uk/>

Buyer's address

<http://www.wirral.gov.uk/>

I.2) Information about joint procurement

The contract is awarded by a central purchasing body

I.4) Type of the contracting authority

Regional or local authority

I.5) Main activity

General public services

Section II: Object

II.1) Scope of the procurement

II.1.1) Title

Equity Overlay / Downside Risk Management

Reference number

DN645549

II.1.2) Main CPV code

- 66000000 - Financial and insurance services

II.1.3) Type of contract

Services

II.1.4) Short description

The Local Government Pension Scheme (LGPS) is a national scheme administered on a local

basis by Wirral Council as the administering authority for the Northern LGPS.

The Fund is governed by the Superannuation Act 1972 and the Public Services Pensions Act

2013. The Fund is administered in accordance with the following secondary legislation:

- the LGPS Regulations 2013 (as amended)
- the LGPS (Transitional Provisions, Savings and Amendment) regulations 2014 (as amended)
- The Occupational and Personal Pension Scheme (Administration) Regulations 2008
- the LGPS (Management and Investment of Funds) Regulations 2016
- the Public Services Pensions (Information about Benefits) Directions 2014.

Northern LGPS is a partnership between the Greater Manchester (GMPF), Merseyside

(MPF) and West Yorkshire (WYPF) Local Government Pension Scheme (LGPS) funds.

Formerly known as 'Northern Pool', it is one of Britain's largest public investment funds, with combined assets under management of £46bn. Northern LGPS represents about a fifth of

total LGPS assets, has approximately 880,000 members and over 1,100 contributing employers.

Northern LGPS's purpose is to ensure the assets of its funds perform effectively so that members receive a pension that enables them to enjoy their retirement in dignity.

3. Scope of the opportunity

Northern LGPS is seeking to control equity risk on a medium-term basis and possibly on a longer-term strategic basis through the use of an equity overlay solution(s).

Northern LGPS is looking to renew its framework of approved equity overlay suppliers to offer overlay management services as required during the framework duration. It is anticipated that mandates will be awarded on an individual basis to suppliers within this framework as required by the underlying plans.

Suppliers must be able to offer equity risk / drawdown control through a broad range of overlay solutions ranging from basic put / put-spread protection through to more complex strategies (as required by individual awards within the framework), and may also be required

to offer mechanisms for funding (e.g. synthetic equity replication or other funding routes).

The approved supplier framework will target a minimum of 3 manager appointments.

Northern LGPS are seeking proposals from asset managers. Bank or other non-fiduciary solutions will be excluded.

Suppliers must be able to implement solutions using their own trading relationships.

Proposals requiring use of client ISDAs will be excluded.

Suppliers must be regulated to offer services to UK institutional investors.

It is estimated that the Northern LGPS will seek to deploy Equity Risk Overlay mandates on

up to GBP 3bn initially. This figure represents the client's total equity exposure that might be

referenced by overlay proposals.

Individual mandates within the framework are expected to vary in sizes ranging from GBP 100m to GBP 2bn, with the framework expected to deploy multiple overlay solutions over time. There is also the potential for aggregate mandate size to grow through the incorporation of other asset classes over time.

Subject to there being a sufficient number of responses meeting the selection criteria, Northern LGPS will select the 10 top scored qualified suppliers to be invited to tender.

Once the framework has been awarded, each individual Fund will run their own further competition between the successful suppliers on the framework when each individual requirement arises.

The overall estimate contract spend of £7,236,000 is the estimated spend over the life time of the framework and it is unknown how much will be awarded to each supplier as this will be determined by each further competitions when an individual need arises

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: £7,236,000

II.2) Description

II.2.3) Place of performance

NUTS codes

- UKD74 - Wirral

II.2.4) Description of the procurement

The Local Government Pension Scheme (LGPS) is a national scheme administered on a local

basis by Wirral Council as the administering authority for the Northern LGPS.

The Fund is governed by the Superannuation Act 1972 and the Public Services Pensions Act

2013. The Fund is administered in accordance with the following secondary legislation:

- the LGPS Regulations 2013 (as amended)
- the LGPS (Transitional Provisions, Savings and Amendment) regulations 2014 (as amended)
- The Occupational and Personal Pension Scheme (Administration) Regulations 2008
- the LGPS (Management and Investment of Funds) Regulations 2016
- the Public Services Pensions (Information about Benefits) Directions 2014.

Northern LGPS is a partnership between the Greater Manchester (GMPF), Merseyside (MPF) and West Yorkshire (WYPF) Local Government Pension Scheme (LGPS) funds.

Formerly known as 'Northern Pool', it is one of Britain's largest public investment funds, with combined assets under management of £46bn. Northern LGPS represents about a fifth of

total LGPS assets, has approximately 880,000 members and over 1,100 contributing employers.

Northern LGPS's purpose is to ensure the assets of its funds perform effectively so that members receive a pension that enables them to enjoy their retirement in dignity.

3. Scope of the opportunity

Northern LGPS is seeking to control equity risk on a medium-term basis and possibly on a longer-term strategic basis through the use of an equity overlay solution(s).

Northern LGPS is looking to renew its framework of approved equity overlay suppliers to offer overlay management services as required during the framework duration. It is anticipated that mandates will be awarded on an individual basis to suppliers within this framework as required by the underlying plans.

Suppliers must be able to offer equity risk / drawdown control through a broad range of overlay solutions ranging from basic put / put-spread protection through to more complex strategies (as required by individual awards within the framework), and may also be required

to offer mechanisms for funding (e.g. synthetic equity replication or other funding routes).

The approved supplier framework will target a minimum of 3 manager appointments.

Northern LGPS are seeking proposals from asset managers. Bank or other non-fiduciary solutions will be excluded.

Suppliers must be able to implement solutions using their own trading relationships.

Proposals requiring use of client ISDAs will be excluded.

Suppliers must be regulated to offer services to UK institutional investors.

It is estimated that the Northern LGPS will seek to deploy Equity Risk Overlay mandates on

up to GBP 3bn initially. This figure represents the client's total equity exposure that might be

referenced by overlay proposals.

Individual mandates within the framework are expected to vary in sizes ranging from GBP

100m to GBP 2bn, with the framework expected to deploy multiple overlay solutions over time. There is also the potential for aggregate mandate size to grow through the incorporation of other asset classes over time.

Subject to there being a sufficient number of responses meeting the selection criteria, Northern LGPS will select the 10 top scored qualified suppliers to be invited to tender.

Once the framework has been awarded, each individual Fund will run their own further competition between the successful suppliers on the framework when each individual requirement arises

The overall estimate contract spend of £7,236,000 is the estimated spend over the life time of the framework and it is unknown how much will be awarded to each supplier as this will be determined by each further competitions when an individual need arises

II.2.5) Award criteria

Quality criterion - Name: Quality (Written ITT) / Weighting: 60

Quality criterion - Name: Quality (Presentation) / Weighting: 20

Price - Weighting: 20

II.2.11) Information about options

Options: No

II.2.13) Information about European Union Funds

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

Section IV. Procedure

IV.1) Description

IV.1.1) Type of procedure

Competitive procedure with negotiation

IV.1.3) Information about a framework agreement or a dynamic purchasing system

The procurement involves the establishment of a framework agreement

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.2.1) Previous publication concerning this procedure

Notice number: [2022/S 000-035897](#)

Section V. Award of contract

Contract No

DN645549

A contract/lot is awarded: Yes

V.2) Award of contract

V.2.1) Date of conclusion of the contract

30 September 2023

V.2.2) Information about tenders

Number of tenders received: 10

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

V.2.3) Name and address of the contractor

Allianz Global Investors

199 Bishopsgate London

Greater London

EC2M 3TY

Country

United Kingdom

NUTS code

- UKD74 - Wirral

The contractor is an SME

No

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

Total value of the contract/lot: £7,236,000

Section V. Award of contract

Contract No

DN645549

A contract/lot is awarded: Yes

V.2) Award of contract

V.2.1) Date of conclusion of the contract

30 September 2023

V.2.2) Information about tenders

Number of tenders received: 10

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

V.2.3) Name and address of the contractor

AXA Investment Manager

7 Newgate Street

Greater London

EC1A 7NX

Country

United Kingdom

NUTS code

- UKD74 - Wirral

The contractor is an SME

No

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

Total value of the contract/lot: £7,236,000

Section V. Award of contract

Contract No

DN645549

A contract/lot is awarded: Yes

V.2) Award of contract

V.2.1) Date of conclusion of the contract

30 September 2023

V.2.2) Information about tenders

Number of tenders received: 10

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

V.2.3) Name and address of the contractor

Insight Investment Management

160 Queen Victoria Street

London

EC4V 4LA

Country

United Kingdom

NUTS code

- UKD74 - Wirral

The contractor is an SME

No

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

Total value of the contract/lot: £7,236,000

Section V. Award of contract

Contract No

DN645549

A contract/lot is awarded: Yes

V.2) Award of contract

V.2.1) Date of conclusion of the contract

30 September 2023

V.2.2) Information about tenders

Number of tenders received: 10

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

V.2.3) Name and address of the contractor

Morgan Stanley Investment Management

25 Cabot Square

London

E14 4QA

Country

United Kingdom

NUTS code

- UKD74 - Wirral

The contractor is an SME

Yes

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

Total value of the contract/lot: £7,236,000

Section V. Award of contract

Contract No

DN645549

A contract/lot is awarded: Yes

V.2) Award of contract

V.2.1) Date of conclusion of the contract

30 September 2023

V.2.2) Information about tenders

Number of tenders received: 10

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

V.2.3) Name and address of the contractor

Schroder Investment Management Limited

1 London Wall Place

Greater London

EC2Y 5AU

Country

United Kingdom

NUTS code

- UKD74 - Wirral

The contractor is an SME

No

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

Total value of the contract/lot: £7,236,000

Section VI. Complementary information

VI.4) Procedures for review

VI.4.1) Review body

Royal Courts of Justice

London

WC2A 2LL

Country

United Kingdom