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Tender

Equity Overlay / Downside Risk Management

Wirral Borough Council
West Yorkshire Pension Fund
Greater Manchester Pension Fund
Merseyside Pension Fund

F02: Contract notice

Notice identifier: 2022/S 000-035897

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

Published 19 December 2022, 4:23pm

Section I: Contracting authority

I.1) Name and addresses

Wirral Borough Council

Wallasey Town Hall

Wallasey

CH44 8ED

Email

tenders@wirral.gov.uk

Telephone

+44 1516062002

Fax

+44 1516063725

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.1) Name and addresses

West Yorkshire Pension Fund

Aldermanbury House

West Yorkshire

BD1 2ST

Email

pensions@wypf.org.uk

Country

United Kingdom

Region code

UKE4 - West Yorkshire

Internet address(es)

Main address

<https://www.wypf.org.uk/>

I.1) Name and addresses

Greater Manchester Pension Fund

Guardsman Tony Downes House

Manchester

M43 6SF

Email

employersupport@gmpf.org.uk

Country

United Kingdom

Region code

UKD3 - Greater Manchester

Internet address(es)

Main address

<https://www.gmpf.org.uk/>

I.1) Name and addresses

Merseyside Pension Fund

Castle Chambers

Liverpool

L2 9SH

Email

mpfadmin@wirral.gov.uk

Country

United Kingdom

Region code

UKD72 - Liverpool

Internet address(es)

Main address

<https://www.mpfmembers.org.uk/>

I.2) Information about joint procurement

The contract involves joint procurement

I.3) Communication

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

<https://procontract.due-north.com>

Additional information can be obtained from the above-mentioned address

Tenders or requests to participate must be submitted electronically via

<https://procontract.due-north.com>

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.

II.1.5) Estimated total value

Value excluding VAT: £7,236,000

II.1.6) Information about lots

This contract is divided into lots: No

II.2) Description

II.2.3) Place of performance

NUTS codes

- UKD74 - Wirral

II.2.4) Description of the procurement

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FOR ALL QUERIES, ACCESS TO DOCUMENTATION, EXPRESSIONS OF INTEREST, SUBMISSIONS PLEASE ACCESS VIA THE OPPORTUNITY ON THE CHEST PORTAL VIA <http://www.the-chest.org.uk>

II.2.5) Award criteria

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

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

Price - Weighting: 20

II.2.6) Estimated value

Value excluding VAT: £7,236,000

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

Duration in months

48

This contract is subject to renewal

No

II.2.9) Information about the limits on the number of candidates to be invited

Envisaged number of candidates: 10

II.2.10) Information about variants

Variants will be accepted: No

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

II.2.14) Additional information

This tender is being conducted by the lead Authority Wirral Council for its own Pension Fund, namely Merseyside Pension Fund and also this framework will be ran for, and will include West Yorkshire Pension Fund and Greater Manchester Pension Fund

This will be in 2 stages Stage 1 SSQ - with a min of 10 top scored suppliers being put through to Stage 2 - the ITT stage.

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

Please refer to DN645549 for criteria of award for all stages

Please note due to Christmas Shut down between 5pm Friday 23rd December 2022 and 9am Tuesday 4th January 2023 no questions will be answered during this period.

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

Framework agreement with several operators

In the case of framework agreements, provide justification for any duration exceeding 4 years:

no maximum, but minimum of 3 - further competition as outlined in tender documentation

IV.1.4) Information about reduction of the number of solutions or tenders during negotiation or dialogue

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

IV.1.5) Information about negotiation

The contracting authority reserves the right to award the contract on the basis of the initial tenders without conducting negotiations

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

20 January 2023

Local time

12:00pm

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

English

Section VI. Complementary information

VI.1) Information about recurrence

This is a recurrent procurement: No

VI.4) Procedures for review

VI.4.1) Review body

Royal Courts of Justice

London

WC2A 2LL

Country

United Kingdom