

Pension Fund Committee

Meeting to be held on 18 November 2011

Electoral Division affected: 'All'

Update on Procurement Processes

Contact for further information:

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Executive Summary

At its meeting on 15 July 2011 the Pension Fund Committee approved the procurement process for the following contracts:

- Global Equity Managers
- UK property management and independent valuers
- Governance and proxy voting advisors
- Tax agents

The purpose of this report is to provide the Committee with an update on these procurements.

Recommendation

The Committee is asked to note the report.

Background and Advice

At its meeting on 15 July 2011 the Pension Fund Committee approved the procurement processes for Global Equity Managers, UK property Management and independent valuers, Governance and Proxy voting advisors and tax agents.

- Global Equity Managers

The investment consultants, Bfinance, have been appointed to manage the procurement of a panel of global equity investment managers on behalf of the Pension Fund following a mini-competition amongst the members of the Consultants' Framework Bench. Bfinance was appointed based on their response to questions regarding their manager selection process, a key weighting in the evaluation process.

The tender documentation pack prepared by Bfinance has now been approved by the County Council's legal team and was published on 24 October 2011.

Officers of the Pension Fund, together with the Fund's Independent Advisers expect to interview a shortlist of investment managers in London at the end of January 2012 with a view to recommending 3 to 5 managers, who will be invited to present to the County Treasurer in February 2012.

- UK Property Management and Independent Valuers

CBRE Richard Ellis have been appointed to assist Pension Fund Officers with the preparation of the tender documentation for the procurement of a UK property manager. The preparation of the documentation is underway with the assistance of the County Council's procurement services.

The tender will be a two stage restricted procedure to first select a small number of qualified bidders, who will then be invited to submit full detailed proposals.

The tender will be published towards the end of 2011 with a view to implementing the new property management mandate with effect from September 2012 quarter day.

The tender for an Independent Valuer of the UK property portfolio will be issued after the March 2012 valuation exercise has been completed.

- Governance and Proxy voting advisors

The selection process set at the start of the procurement exercise for the above contract identified one suitable supplier, PIRC. This was based on the key weightings of experience of comparable service provision and fees. Based on the outcome of the procurement exercise and scoring, the County Treasurer approved the re-appointment of PIRC as governance and proxy voting advisors to the Pension Fund.

- Tax Agents

The selection process set at the start of the procurement exercise for tax agents identified two suitable suppliers the critical element of the scoring for the procurement of tax agents is comparable service provision as experience in this area is vital to protect the Fund and to ensure the most tax efficient approach within investments. . Based on the outcome of the procurement process, and with due regard to the scoring on comparable service provision, the County Treasurer approved the appointment of KPMG as tax agents to the Pension Fund.

Consultations

N/A.

Implications:

This item has the following implications, as indicated:

Risk management

No significant risks have been identified.

**Local Government (Access to Information) Act 1985
List of Background Papers**

Paper	Date	Contact/Directorate/Tel
N/A		