

15/07/2003 S133

European Central Bank

ECB - call for expressions of interest for the establishment of a list of investment managers and custodians for the ECB retirement plan (D-Frankfurt-on-Main)**2003/S 133-119100****European Central Bank****Tender notice****Negotiated procedure**

1. **Awarding authority:** European Central Bank, Kaiserstraße 29, D-60311 Frankfurt am Main. Fax: +49-69 13 44 75 03. Att: Mr Humphrey Rudgard, e-mail: humprey.rudgard@ecb.int.
2. **Type:** Call for expressions of interest.
The European Central Bank (ECB) is to appoint the Investment Manager(s) and the Custodian for its Retirement Plan. Organizations interested in having their names entered on a list of managers of significant pension funds able to provide passive investment management and/or custodial services are invited to submit an application in accordance with the rules set out below:
 - the Investment Committees of the ECB Retirement Plan will draw up a list of candidates who meet the criteria set out at point 8 below;
 - for contracts for management of the main investment funds, custodial services, and particular individual funds, details will be sent to some or all of those applicants which, at the ECB's sole discretion, are deemed to be appropriate for the specific contract and which have been included in the list of approved suppliers, as a result of this notice.
3. (a) **Description of the fields covered:** CPV Nos. 67122000, 6711000, 67200000.
The European Central Bank Retirement Plan (the Plan) has been established by the European Central Bank (ECB) with effect from 1 July 1998. the Plan comprises two sections:
 - Core Benefit Account - made up of ECB contributions. Benefits are provided on a defined contribution basis but are subject to minimum benefit guarantees and a maximum benefit limit;
 - Flexible Benefit Account - made up of employee contributions. Benefits are provided on a defined contribution basis and employees have a limited investment choice between structured risk related investment funds (plus cash).
The value of the fund is currently around 70 million euro. Total annual contributions are currently around 18 million euro and are payable on a monthly basis.
The ECB has made a decision that the assets of the Plan would be invested using passive investment management approach. A mix of euro equities, non-euro equities, euro bonds and euro cash is currently used for the investment of the assets of the Plan: additional asset classes, for example global bonds and emerging markets equities may be used in the future.
The Plan assets are owned directly by the ECB Pursuant to the Statute of the European System of Central Banks and of the European Central Bank and to Article 3 of the Protocol on the privileges and immunities of the European Communities, the ECB is exempt from any direct taxes in the European Union.
Key issues for the ECB are:
In respect of investment management services:
 - the ability of applicant companies to provide an efficient investment vehicle that might allows the ECB to benefit from its tax status; and
 - the ability of the applicant companies to offer products that would meet the ECB's requirements.In respect of custodian services:

- the ability of applicant companies to provide custodian services, which are appropriate to the needs of the ECB in respect of the assets of the Plan to be invested: in particular, daily reporting performance measurement and unit pricing are important. This documents calls for an extension of interest from companies for the appointment of the Investment Manager(s) and for the appointment of a Custodian. Following receipt of information. Those companies that meet the qualifying conditions may be invited to submit a full proposal for the provision of the services.
- (b) **Type of contracts:** - Initial fixed term with possible renewal periods, subject to satisfactory performance.
4. (Not applicable).
5. **Period of validity of the list resulting from the call for interest:** The expiry date of the lists resulting from the call for expressions of interest is 11.8.2005. It is anticipated that initial contracts for the main fund management contract(s) and custodian services will be offered only once but subsequent contract(s) for particular funds management may arise during the particular period.
6. **Legal status of applicants:** As in 8 below.
7. (a) **Address to which applications should be sent:** As in 1.
- (b) **Application together with all the documentation referred to in point 8 must be submitted as follows:** Applications should be submitted by post to the abovementioned address no later than 17.30 CET on monday 11 August 2003 to be considered for the initial list and its first use. The envelope should be marked: 'Call for Expression of Interest / REF: Investment management & custodial services attn. II Rudgard'.
8. **Full list of information and documentation concerning the applicant and the information and the formalities necessary for an appraisal of the minimum economic and technical standards required:** Applicants are expected to be established experts in their field with minimum requirements, as shown below. Expressions of interest for one or several lots are permitted.
- Lot 1: investment manager for the asset classes to be managed on an index-tracking basis:
- total assets under management following an index-tracking approach equivalent to at least 1 billion euro as at 31 December 2002, using the then prevailing exchange rates;
 - a verifiable performance record covering at least three complete years up to and including 31 December 2002 for each of the asset classes to be managed on an index-tracking basis (euro equities, non-euro equities, euro Bonds, global bonds and euro cash).
- Lot 2: investment manager for emerging markets equities:
- total emerging markets assets under management following an active management approach with a global content (including emerging markets from at least three world regions) equivalent to at least 1 million euro as at 31 December 2002 using the then prevailing exchange rates;
 - a verifiable performance record covering at least five complete years up to and including 31 December 2002 for the above-mentioned assets (emerging markets following an active management approach with a global content).
- Lot 3: custodian:
- total assets under custody of at least 20 billion euro as at 31 December 2002 using the then prevailing exchange rates;
 - a high credit rating, which is envisaged by an external rating;
 - availability of a web enabled on-line reporting system providing access to data on a daily basis, including an ability to download files in a generally recognized electronic format, providing information updated on a daily basis on at least benchmark performance, performance relative to benchmark and unit prices.
- Potential service providers are asked to submit the information listed below (a) - (n). All information must be provided in a clear and concise manner and in English. The list and subsequent shortlist will be based solely on the information submitted:
- (a) Company details:
complete name, postal address, telephone and fax numbers of the Applicant Company, together with the legal status of the company and details of all parent or subsidiary

companies, if applicable, as well as the name and contact details (including e-mail address) of the person responsible for the application;

(b) Company organization:

company background, profile, number of years of trading, number and geographical location of offices and the number and level of employees/partners working within each office - in particular, the number of qualified staff (by profession) should be stated, together with an organizational chart showing the detailed company structure relevant to the operations required in this tender;

(c) Regulatory organizations/associations:

the names and addresses of the Regulatory Organizations/Associations that the Applicant Company is registered with and for which parts of its business;

(d) Compliance:

The areas of the Applicant Company's business which are required to comply with compliance regulations laid down by national financial services legislation and a description of how the Applicant Company is organized, including the personnel employed specifically for the purpose of dealing with the requirements of such regulations.

(e) Professional bodies and trade associations:

A list of relevant qualifications, trade associations and affiliations with professional bodies, copies of accreditation certificates and a statement of the extent of accreditation to ISO 9000, together with the names and qualifications of the personnel who would be appointed to work on this contract;

(f) Experience and similar contracts:

A list of any similar contracts for commercial or public institutions - particularly in terms of structure, size and tax status - stating the number of years the contract has been and its size.

(g) Business:

Assets under management, with breakdowns along various dimensions including:

- split between institutional investors and households;
- split between asset classes (in particular equities vs. bonds but also including other relevant asset classes as the case may be);
- the proportion managed on an index-tracking basis;
- split between Eurozone and non-Eurozone assets, and;
- a geographic breakdown of clients, as the case may be: together with indications of how these have changed over the last five years;

(h) Products and investment process:

Please indicate the location and structure of the investment vehicles to be proposed, the tax status of the proposed vehicles and any regulatory limits on portfolio holdings that would be imposed the main benchmark indices used for index tracking and the frequency of re-balancing;

(i) Performance:

Details of actual investment returns, in respect of the vehicles to be proposed, for the one-year periods ending 31 December 2002, 2001, 2000, 1999 and 1998, together with the returns of the indices against which the funds have been tracked (the full published names of the indices should also be provided);

(j) Fees:

The fees to be charged for the services for which a bid is being made and whether or not these are performance-related, together with the process and frequency of review, including whether or not there is a minimum guarantee period;

(k) Custody of assets/cash management (only to be provided if expressing interest in the provision of these services):

An outline of the global custody network, the custody services to be provided including - in the event that more than one Investment Manager is appointed - additional services that would be provided, for example, unit pricing, safeguards in place to minimise internal and external operational risks, how clients' cash balances are protected and managed;

(l) Public liability:

Level of public liability insurance that the Applicant Company has in place to cover potential losses to clients as a result of negligence;

(m) Legal claims:

Details of any pending legal claims/lawsuits against the Applicant Company;

(n) Legal agreement:

A copy of the standard contract of the Applicant Company.

9. **Other information:**

10. **Date of dispatch of the notice:** 3.7.2003.

11. **Date of receipt by the Office for Official Publications of the European Union:**
3.7.2003.