
To: Finance, Resources and Customer Services Policy Board

On: 27th March 2019

Report by: The Chief Executive and the Director of Finance

Heading: Active Multi Asset Investment Manager (RC-CPU-19-197)

1. Summary

- 1.1 The purpose of this report is to seek the approval of the Finance, Resources and Customer Services Policy Board to award a contract for an Active Multi Asset Investment Manager.
- 1.2 The recommendation to award this contract follows a procurement exercise which was conducted in accordance with the above OJEU Threshold Open Procedure for Services and the Council's Standing Orders relating to Contracts.
- 1.3 A contract strategy was approved by the Head of Finance and the Strategic Commercial Procurement Manager on 22nd November 2018.

2. Recommendations

It is recommended that the Finance, Resources and Customer Services Policy Board authorise the Head of Corporate Governance to:

- 2.1 Award a contract for an Active Multi Asset Investment Manager to Aberdeen Standard Capital Limited.
 - 2.2 The contract period will be for a period of 3 years with the option to extend up to a further 2 years.
 - 2.3 The contract value is based on a percentage against the investments and will be up to £466,370 (excluding VAT) including the maximum extension period.
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3. **Background**

- 3.1 The Council's current contract for an Active Multi Asset Investment Manager expires on 30th June 2019 and a new contract is required to commence on the 1st July 2019. The contract is required to appoint a suitably qualified investment manager with charity investment experience to invest the cash resources of the Council and Associated Charities to generate a return which is then distributed to support community projects.
- 3.2 A contract notice was published via the Public Contracts Scotland website in the Official Journal of the European Union (OJEU) on 23rd November 2018 with the tender documentation available for downloading from the Public Contract Scotland -Tender platform.
- 3.3 Forty (40) suppliers noted an interest, of which fifteen (15) tender submissions were received by the closing date receipt of tender submissions at noon, on 24th December 2018. One (1) submission was subsequently withdrawn and a further one (1) submission deemed non-compliant.
- 3.4 The tender submissions were evaluated against a pre-determined set of criteria in the form of the European Single Procurement Document (ESPD) evaluated by representatives from the Corporate Procurement Unit and Risk Management against pre-determined bidder selection criteria which assessed competence and expertise. The thirteen (13) remaining submissions met the minimum requirements.
- 3.5 The Bids were evaluated against the published Quality Award Criteria of 80%. The Tender documents including the contract notice required that all tenderers had to obtain a quality score of 60% to be invited to undertake a presentation of the tender submission and to be able to

have their submitted Pricing Schedule considered. All tenderers who obtained a score of 59.99% and below were excluded from the Procurement Process, with the Pricing Schedule within their Tender Submission not being considered.

The scores relative to the Quality criteria are noted below:

Tenderers Name	Quality (80%)
Goldman Sachs International	68.80
Aberdeen Standard Capital Limited	68.40
Tilney Group Limited	60.40
Cornelian Asset Managers Limited	52.40
Rathbone Investment Management Limited	50.60
Brewin Dolphin Limited	48.68
Schroder & Co Limited	46.40
CCLA Investment Management Limited	46.20
Barclays Bank PLC	46.00
Sarasin & Partners LLP	43.60
Smith & Williamson Investment Management	41.40
Pyrford International Limited	36.00
Eden Tree Investment Management Limited	32.80

- 3.6 The three (3) tenderers who achieved 60% and more for Quality, progressed to presentation and evaluation of the price tendered which was weighted as a 20% criteria evaluation. Quality scores were not modified based on responses provided at presentation.

The combined award criteria, quality 80% and price 20% scores are as follows:

Tenderers Name	Quality Score (80%)	Price Score (20%)	Total Score (100%)
Aberdeen Standard Capital Limited	68.40	15.37	83.77
Goldman Sachs International	68.80	13.02	81.82
Tilney Group Limited	60.40	20.00	80.40

- 3.7 Aberdeen Standard Capital Limited submission was the most economically advantageous tender.
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Implications of the Report

1. **Financial** - Financial costs in respect of this contract will be met from the Council, the Paisley and Renfrew Common Good Funds and the Renfrewshire Educational Trust.
2. **HR & Organisational Development** – No TUPE implications have arisen or are anticipated.
3. **Community/Council Planning**

Our Renfrewshire is fair - Tenderers were assessed within this procurement process in regards to their approach to ensuring fair working practices throughout their organisation i.e. payment of the living wage, training and development opportunities.
4. **Legal** - The procurement of this Contract was conducted in accordance with the Public Contracts (Scotland) Regulations 2015 and the Council's Standing Orders relating to Contracts for an above EU threshold Services Contract.
5. **Property/Assets** - No property/asset implications have arisen or are anticipated.
6. **Information Technology** - No information technology implications have arisen or are anticipated.
7. **Equality & Human Rights** - The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
8. **Health & Safety** - not required as part of this procurement process.

9. **Procurement** – Procurement of this Contract was conducted in accordance with the Open procedure for an above EU threshold Services Contract under the Public Contracts (Scotland) Regulations 2015 and the Council’s Standing Orders relating to Contracts.
10. **Risk** – There are financial risks in investing in the stock market, however these are understood and managed by providing the investment manager with clear investment principals and risk tolerances within which to invest and these principals are reviewed annually by the Investment Review Board. Corporate risk advised on required Insurance policies; Aberdeen Standard Capital Limited has submitted a satisfactory level of insurance for the delivery of this contract.
11. **Privacy Impact** - No Privacy Impact implication has arisen or is anticipated.
12. **Cosla Policy Position** - No Cosla Policy Position implications have arisen or are anticipated.

List of Background Papers

- (a) None

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