



## Request for Proposal (RFP)

Date: 14 March 2013

Dear Sir/Madam,

**Subject: RFP for the provision of Investment Management Services**

1. You are requested to submit a proposal for investment management services in accordance with the enclosed documentation.
2. Your offer comprising the Technical Proposal and Price Schedule should be submitted in separate sealed envelopes and should reach UNDP *no later than 17:00 hrs (EST) on Friday, 26 April 2013* See Sections B 12-14 for relevant details.
3. Please note that Bidders whose Written Technical Proposals score 70% or more of the maximum score will be asked to make a presentation to the Treasury Evaluation Team. Successful bidders will be given advance notice of at least one week. The presentation should cover the proposal and give a further explanation of the elements contained therein. One hour shall be allotted to each Bidder, of which the final 20 minutes will be for follow-up questions from the Treasury Evaluation Team. The maximum score for the Technical Presentation is 250 points.
4. If you request additional information, we shall endeavour to provide information expeditiously, but any delay in providing such information will not be considered a reason for extending the submission date of your proposal.
5. You are requested to acknowledge receipt of this letter and to indicate whether or not you intend to submit a proposal.

Yours sincerely,

Julie Anne Mejia  
Treasurer

Treasury Division, Office of Financial Resources Management

## SECTION A: INTRODUCTION

### A.1 Structure of this Document

<u>Section A:</u>	Introduction
<u>Section B:</u>	Instructions to Bidders [setting out the procedural information required for the bidding process.]
<u>Section C:</u>	Information about After Service Health Insurance (ASHI) funds
<u>Section D:</u>	Technical Questionnaire for Bidders [containing the questions to be answered in the Technical Proposal submission.]
<u>Section E:</u>	Pricing Questionnaire for Bidders [containing the questions to be answered in the Price Schedule submission.]
<u>Annexes:</u>	1. Proposal Submission Form

### A.2 Reasons for Issuing the RFP

- 2.1 United Nations Development Programme (UNDP), as lead agency for this procurement process, is soliciting proposals from investment management firms to provide investment management services for after service health insurance (ASHI) funds on behalf of six United Nations organizations (including UNDP). These are funds set aside to cover long term employee benefit liabilities related to after service medical plans.
- 2.2 UNDP Treasury is complying with its financial rules, regulations and policies requiring solicitation of services in accordance with the following general principles: best value for money; fairness, integrity, transparency; effective international competition; and the interest of UNDP and other participating UN organizations.
- 2.3 At the conclusion of the procurement process, the business may be awarded to one or more service providers.

### A.3 About UNDP

- 3.1 UNDP is the UN's global development network, an organization advocating for change and connecting countries to knowledge, experience and resources to help people build a better life. It is on the ground in 166 countries, working with them on their own solutions to global and national development challenges. As they develop local capacity, they draw on the people of UNDP and our wide range of partners. Primarily, UNDP's work is directed to the achievement of the Millennium Development Goals (MDGs).
- 3.2 UNDP is working with a wide range of partners to help create coalitions for change to support the MDGs at global, regional and national levels; to benchmark the progress towards them; and to help countries build the institutional capacity, policies and programmes needed to achieve the MDGs. UNDP's network links and coordinates global and national efforts to reach them. UNDP's focus is helping countries to build and share solutions to the challenges of Democratic Governance, Poverty Reduction, Crisis Prevention and Recovery, Environment and Energy, and HIV/AIDS. UNDP helps developing countries attract and use aid effectively. In all its activities, we encourage the protection of human rights and the empowerment of women.
- 3.3 UNDP's decision-making body is its Executive Board. It is responsible for providing inter-governmental support to and supervision of UNDP in accordance with the overall policy guidance of the UN General Assembly and Economic and Social Council and with the responsibilities set out in the United Nations Charter. The Board is under the authority of the Economic and Social Council.
- 3.4 UNDP was established in 1965 by the General Assembly of the United Nations by the merging of the United Nations Expanded Programme of Technical Assistance, created in 1949, and the United Nations Special Fund, created in 1958. UNDP has its headquarters in New York City, but works primarily through its offices in more than 150 countries.
- 3.5 The UNDP Treasury Division is located at UNDP headquarters and is the function within the UNDP Office of Financial Resources Management that provides services to the organization in the areas of cash management; contributions management; investments; foreign exchange; and processing of payments & receipts.
- 3.6 More information about UNDP can be obtained from the UNDP webpage (<http://www.undp.org>). UNDP's 2011 Annual Report is available at <http://www.undp.org/publications/annualreport2011/>.

3.7 For information about other participating UN organizations please see:

<http://www.unicef.org>

<http://www.unfpa.org>

<http://www.unops.org>

<http://www.unwomen.org>

<http://www.uncdf.org>

## **SECTION B: INSTRUCTIONS TO OFFERORS**

### **B.1 Cost of proposal**

The Offeror shall bear all costs associated with the preparation and submission of the Proposal, UNDP will in no case be responsible or liable for those costs, regardless of the conduct or outcome of the solicitation.

## **SOLICITATION DOCUMENTS**

### **B.2 Contents of solicitation documents**

Proposals must offer services for the total requirement. Proposals offering only part of the requirement will be rejected. The Offeror is expected to examine all corresponding instructions, forms, terms and specifications contained in the Solicitation Documents. Failure to comply with these documents will be at the Offeror's risk and may affect the evaluation of the Proposal.

### **B.3 Clarification of solicitation documents**

A prospective Offeror requiring any clarification of the Solicitation Documents may notify the procuring UNDP entity in writing at the organisation's mailing address or fax number indicated in the RFP. The procuring UNDP entity will respond in writing to any request for clarification of the Solicitation Documents that it receives earlier than two weeks prior to the deadline for the submission of Proposals. Written copies of the organisation's response (including an explanation of the query but without identifying the source of inquiry) will be sent to all prospective Offerors that has received the Solicitation Documents.

### **B.4 Amendments of solicitation documents**

At any time prior to the deadline for submission of Proposals, the procuring UNDP entity may, for any reason, whether at its own initiative or in response to a clarification requested by a prospective Offeror, modify the Solicitation Documents by amendment.

All prospective Offerors that have received the Solicitation Documents will be notified in writing of all amendments to the Solicitation Documents.

In order to afford prospective Offerors reasonable time in which to take the amendments into account in preparing their offers, the procuring UNDP entity may, at its discretion, extend the deadline for the submission of Proposals.

## **PREPARATION OF PROPOSALS**

### **B.5 Language of the proposal**

The Proposals prepared by the Offeror and all correspondence and documents relating to the Proposal exchanged by the Offeror and the procuring UNDP entity shall be written in the English language. Any printed literature furnished by the Offeror may be written in another language so long as accompanied by an English translation of its pertinent passages in which case, for purposes of interpretation of the Proposal, the English translation shall govern.

### **B.6 Documents comprising the proposal**

The Proposal shall comprise the following components:

- (a) Proposal submission form (see Annex 1)
- (b) Technical Proposal, including documentation to demonstrate that the Offeror meets all requirements;
- (c) Price Proposal

### **B.7 Proposal Forms**

#### **(a) Technical Proposal**

The Offeror shall structure the operational and technical part of its Proposal so as to respond to the Technical Questionnaire for Bidders (Section D).

The operational and technical part of the Proposal should not contain any pricing information whatsoever on the services offered. Pricing information shall be separated and only contained in the appropriate Price Schedules.

It is mandatory that the Offeror's Proposal numbering system corresponds with the numbering system used in the Technical Questionnaire for Bidders (Section D). All

references to descriptive material and brochures should be included in the appropriate response paragraph, though material/documents themselves may be provided as annexes to the Proposal.

Information which the Offeror considers proprietary, if any, should be clearly marked “proprietary” next to the relevant part of the text and it will then be treated as such accordingly.

**b) Price Proposal**

The Offeror shall indicate on an appropriate Price Schedule, the prices of services it proposes to supply under the contract.

The Offeror shall structure the pricing part of its Proposal so as to respond to the Pricing Questionnaire for Bidders (Section E).

**B.8 Proposal currencies**

All prices shall be quoted in US dollars.

**B.9 Period of validity of proposals**

Proposals shall remain valid for ninety (90) days after the date of Proposal submission prescribed by the procuring UNDP entity, pursuant to the deadline clause. A Proposal valid for a shorter period may be rejected by the procuring UNDP entity on the grounds that it is non-responsive.

In exceptional circumstances, the procuring UNDP entity may solicit the Offeror’s consent to an extension of the period of validity. The request and the responses thereto shall be made in writing. An Offeror granting the request will not be required nor permitted to modify its Proposal.

**B.10 Format and signing of proposals**

The Offeror shall prepare two copies of the Proposal, clearly marking each “Original Proposal” and “Copy of Proposal” as appropriate. In the event of any discrepancy between them, the original shall govern.

The two copies of the Proposal shall be typed or written in indelible ink and shall be signed by the Offeror or a person or persons duly authorised to bind the Offeror to the contract. The latter authorisation shall be indicated by written power-of-attorney accompanying the Proposal.

A Proposal shall contain no interlineations, erasures, or overwriting except, as necessary to correct errors made by the Offeror, in which case such corrections shall be initialled by the person or persons signing the Proposal.

#### B.11 Payment

UNDP shall effect payments to the Contractor after acceptance by UNDP of the invoices submitted by the contractor, upon achievement of the corresponding milestones.

### SUBMISSION OF PROPOSALS

#### B.12 Sealing and marking of proposals

The Offeror shall seal the Proposal in one outer and two inner envelopes, as detailed below.

(a) The outer envelope shall be:

- addressed to :
  - **The Treasurer**  
**Office of Financial Resources Management**  
**UNDP, 304 East 45<sup>th</sup> Street**  
**New York, New York**  
**10017, USA.**

and

- marked : **“RFP ASHI Investment Management Services”**

(b) Both inner envelopes shall indicate the name and address of the Offeror. One inner envelope shall be marked *Technical Proposal* and shall contain the information specified above in Clause B.7 (a), with the copies duly marked “Original” and “Copy”. The second inner envelope shall be marked the *Price Proposal* and shall contain the information specified above in Clause B.7 (b), with the copies duly marked “Original” and “Copy”.

Note: if the inner envelopes are not sealed and marked as per the instructions in this clause, the procuring UNDP entity will not assume responsibility for the Proposal’s misplacement or premature opening.

#### B.13 Deadline for submission of Proposals

Proposals must be received by the procuring UNDP entity at the address specified under clause Sealing and marking of Proposals no later than *17:00 hrs (EST) on Friday, 26 April 2013*.

UNDP may, at its own discretion extend this deadline for the submission of Proposals by amending the solicitation documents in accordance with clause B.4 *Amendments of Solicitation Documents*, in which case all rights and obligations of the procuring UNDP entity and Offerors previously subject to the deadline will thereafter be subject to the deadline as extended.

#### B.14 Late Proposals

Any Proposal received by the procuring UNDP entity after the deadline for submission of proposals, pursuant to clause Deadline for the submission of proposals, will be rejected.

### **MODIFICATION AND WITHDRAWAL OF PROPOSALS**

- B.15 The Offeror may withdraw its Proposal after the Proposal's submission, provided that written notice of the withdrawal is received by the procuring UNDP entity prior to the deadline prescribed for submission of Proposals. The Offeror's withdrawal notice shall be prepared, sealed, marked, and dispatched in accordance with the provisions of clause Deadline for Submission of Proposals. The withdrawal notice may also be sent by telex or fax but followed by a signed confirmation copy. No Proposal may be modified subsequent to the deadline for submission of proposals. No Proposal may be withdrawn in the Interval between the deadline for submission of proposals and the expiration of the period of proposal validity specified by the Offeror on the Proposal Submission Form.

### **OPENING AND EVALUATION OF PROPOSALS**

#### B.16 Opening of proposals

UNDP will open the Proposals in the presence of a Committee formed by the UNDP Treasurer.

#### B.17 Clarification of proposals

To assist in the examination, evaluation and comparison of Proposals, the Purchaser may at its discretion, ask the Offeror for clarification of its Proposal. The request for clarification and the response shall be in writing and no change in price or substance of the Proposal shall be sought, offered or permitted.

#### B.18 Preliminary examination

UNDP will examine the Proposals to determine whether they are complete, whether any computational errors have been made, whether the documents have been properly signed, and whether the Proposals are generally in order.



Arithmetical errors will be rectified on the following basis: If there is a discrepancy between the unit price and the total price that is obtained by multiplying the unit price and quantity, the unit price shall prevail and the total price shall be corrected. If the Offeror does not accept the correction of errors, its Proposal will be rejected. If there is a discrepancy between words and figures the amount in words will prevail.

Prior to the detailed evaluation, the Purchaser will determine the substantial responsiveness of each Proposal to the Request for Proposals (RFP). For purposes of these Clauses, a substantially responsive Proposal is one which conforms to all the terms and conditions of the RFP without material deviations. The Purchaser's determination of a Proposal's responsiveness is based on the contents of the Proposal itself without recourse to extrinsic evidence.

A Proposal determined as not substantially responsive will be rejected by UNDP and may not subsequently be made responsive by the Offeror by correction of the non-conformity.

#### B.19 Evaluation and comparison of proposals

Evaluation shall be conducted using a cumulative analysis methodology<sup>1</sup> whereby the Total Technical & Price Score is obtained by combining the weighted technical and price attributes. The proposal obtaining the overall highest Total Technical & Price Score is the proposal that offers best value for money. A three-stage procedure is utilised in evaluating the proposals.

- a) Written Technical Proposal: Evaluation is completed prior to the opening and comparison of any of the Price Proposals. The proposal is evaluated on the basis of its responsiveness to the Technical Questionnaire (Section D). The evaluation shall be conducted against the criteria and requirements defined in this document. The maximum score for the Written Technical Proposal is 750 points.
- b) Technical Presentation: Bidders whose Technical Proposals score 70% or more of the maximum score will be asked to make a presentation to the Treasury Evaluation Team. The presentation should cover the proposal and focus on demonstration of the proposed workstation technology and systems' abilities. 1 hour shall be allotted to

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<sup>1</sup> Under the cumulative analysis methodology, a total score is obtained upon the combination of weighted technical and financial attributes. An offeror's response to the solicitation document is evaluated and points are attributed based on how well the offer meets the defined desirable criteria. Cost under this method of analysis is rendered as an award criterion of 300 points. In this methodology, the maximum number of points assigned to the financial proposal is allocated to the lowest price proposal. All other price proposals receive points in inverse proportion. The formula is  $p = y (\mu/z)$ , where  $p$  = points for the financial proposal being evaluated;  $y$  = maximum number of points for the financial proposal;  $\mu$  = price of the lowest priced proposal; &  $z$  = price of the proposal being evaluated.

each Bidder, of which the final 20 minutes will be for follow-up questions from the Treasury Evaluation Team. *Presentations must not include any pricing information.* The maximum score for the Technical Presentation is 250 points.

- c) Price Proposal: Only those Price Proposals from Bidders whose Technical Proposals score 70% or more of the maximum Technical Proposed Combined Score will be opened and evaluated. The Price Proposal is evaluated on the basis of its responsiveness to the Price Questionnaire (Section E). The maximum score for the Price Proposal is 300 points.

<b><i>Evaluation Criteria</i></b>		<b><i>Score Weight</i></b>	<b><i>Points Obtainable</i></b>	<b><i>Company</i></b>				
				<b><i>A</i></b>	<b><i>B</i></b>	<b><i>C</i></b>	<b><i>D</i></b>	<b><i>E</i></b>
1.	Bank/Investment Manager Background	13.5%	175					
2.	Fund Management Capabilities and Prior Performance	34.6%	450					
3.	Reporting Services	9.6%	125					
<b>Written Technical Proposal Maximum Score</b>			<b>750</b>					
6	Technical Presentation	19.2%	250					
<b>Technical Proposal Combined Score</b>			<b>1,000</b>					
7	Price Proposal	23.1%	300					
<b>Total Technical &amp; Price Score</b>		<b>100%</b>	<b>1,300</b>					

B.20 The Evaluation Form for the Technical Proposals is set out below. The obtainable number of points specified for each evaluation criterion indicates the relative significance or weight of the item in the overall evaluation process.

Technical Proposal Evaluation		Question Numbers	Points obtainable	Company				
				A	B	C	D	E
Bank/Investment Manager Background								
1.1	Organizational Strength	D.1-D.6	90					
1.2	References	D.7-D.8	20					
1.3	Personnel / Customer Service	D.9 – D.10	65					
Total Part 1			175					
Fund Management Capabilities and Prior Performance								
2.1	Prior 5 years performance	D.11	125					
2.2	SRI/ESG screening	D.12	30					
2.3	Asset mix, duration & benchmark proposal	D.13-D.14	175					
2.4	Compliance/controls	D.15	120					

<b>Total Part 2</b>			<b>450</b>					
<b>Reporting Services</b>								
3.1	Performance & risk analytics	D.16, D.18	50					
3.2	Accounting/IPSAS	D.17	50					
3.3	On-line tools	D.19, D.21	25					
<b>Total Part 3</b>			<b>125</b>					
<b>GRAND TOTAL</b>			<b>750</b>					

## AWARD OF CONTRACT

### B.21 Award criteria, award of contract

UNDP Treasury reserves the right to accept or reject any Proposal, and to annul the solicitation process and reject all Proposals at any time prior to award of contract, without thereby incurring any liability to the affected Offeror or any obligation to inform the affected Offeror or Offerors of the grounds for the Purchaser's action

Prior to expiration of the period of proposal validity, the procuring UNDP entity will award the contract to the qualified Offeror whose Proposal after being evaluated is considered to be the most responsive to the needs of the organisation and activity concerned.

### B.22 UNDP's right to vary requirements at time of award

UNDP reserves the right at the time of award of contract to vary the quantity of services and goods specified in the RFP without any change in price or other terms and conditions.

## SECTION C: INFORMATION ABOUT ASHI FUNDS

The investment management mandate covers services to six UN organizations. The approximate amounts of their respective ASHI funds as per 31 December 2012 are given in the table below. These amounts are expected to grow with routine annual contributions:

ASHI Funds per Organization

<i>UN Organization</i>	<i>31 Dec. 2012 Level [in US\$ millions]</i>
United Nations Development Programme (UNDP)	<b>484</b>
United Nations Children's Fund (UNICEF)	<b>270</b>
United Nations Population Fund (UNFPA)	<b>103</b>
United Nations Office for Project Services (UNOPS)	<b>46.5</b>
UNWomen	<b>22.2</b>
United Nations Capital Development Fund (UNCDF)	<b>11.5</b>

<b>Total</b>	<b>937.2</b>
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Currently ASHI funds are managed internally as part of working capital investment portfolios. These portfolios are entirely invested in fixed income assets and money market instruments with a maximum maturity of five years. Given the long term (pension type) nature of the ASHI liabilities, a broader mix of asset classes with longer maturities is appropriate for these funds, in particular a combination of fixed income and equity investments.

## **SECTION D: TECHNICAL QUESTIONNAIRE FOR BIDDERS**

### **BANK/INVESTMENT MANAGER BACKGROUND**

#### **ORGANIZATIONAL STRENGTH**

- D.1 Comment on your organization's credit quality and overall financial strength. Provide your most recent Standard & Poor's, Moody's and Fitch ratings. Provide your Tier 1 capital ratio levels for the past three years.
- D.2 Is your firm an SEC-registered investment advisor with a SEC Form ADV Parts I & II available annually?
- D.3 Is your asset management firm dually registered as a FINRA-registered firm?
- D.4 Provide a copy of your latest annual report.
- D.5 Identify and describe any current litigation or investigation by a regulatory authority or contingent liabilities that your company, its officers or principals have been involved in within the last three years relative to your custody services.
- D.6 Describe what business continuity measures are in place for your firm.

#### **REFERENCES**

- D.7 Provide name, asset size and phone number of three references, who are currently using your asset management services. Select a mix of long-standing and recent customers.
- D.8 List awards or rankings in asset management in the past five years. Indicate the name of the award, the awarding body and the period for which the award was given.

#### **PERSONNEL**

- D.9 Provide an organization chart showing the operating interrelationships and authority within this service unit and the entire organization, highlighting staff members in key roles, and highlight the UNDP contact Unit if possible.
- D.10 How will our account be serviced? Will it include a dedicated resource?

## **FUND MANAGEMENT CAPABILITIES AND PRIOR PERFORMANCE**

- D.11 Provide a verifiable performance record for the prior five years and include performance against benchmarks and a description of the benchmarks used.
- D.12 Describe your SRI /ESG (ethical) screening capabilities
- D.13 Based on the information provided in the RFP above suggest an optimal asset and geographic mix for these funds and relevant benchmarks.
- D.14 Suggest an appropriate duration for this type of portfolio and give reasons for the choice.
- D.15 Describe your firm's investment guidelines compliance controls (monitoring and reporting capabilities).

## **REPORTING SERVICES**

- D.16 Describe you reporting and analytical capabilities including methodology for calculating rate of return and sensitivity analyses to market risks.
- D.17 Can you provide reports in compliance with IPSAS (International Public Sector Accounting Standards)?
- D.18 Can your firm generate individual portfolio reports and/or consolidation of individual portfolios? Can different accounts be combined for performance reporting and analysis?
- D.19 What on line performance analysis and reporting tools can you provide ? Describe you online dashboard and KPIs (key performance indicators).
- D.20 Will you be able to identify foreign exchange impacts (if any) on portfolio performance evaluated at either an official rate supplied by the United Nations or market rates?
- D.21 What product enhancements have you recently made or planned to make to your performance measurement and analytical services?
- D.22 Please indicate your experience interfacing with ERP systems (SAP and PeopleSoft Oracle) and with custody banks for monthly accounting and reporting purposes.

## SECTION E – PRICING SCHEDULE

*[The Price Schedule is to be sealed in a separate envelope from the Technical Proposal.  
Section B.12 of the Instructions to Offerors refers.]*

- E.1 Provide an all-inclusive, detailed schedule of all fees for the proposed services, including but not limited to trades, income, corporate actions, holdings, out of pocket expenses, software, training, connectivity, one-time set up charges. If you have a tiered fee structure, show all tiers.
- E.2 Discuss the term of the pricing schedule.
- E.3 Describe the process for price renegotiation at the end of the term.
- E.4 What is the billing frequency?
- E.5 Provide a sample bill showing the level of detail that will be provided.

## ANNEX 1

# PROPOSAL SUBMISSION FORM

The Treasurer  
Office of Financial Resources Management  
Bureau of Management  
UNDP  
304 East 45th Street  
New York, NY 10017 USA

Dear Madam,

**Subject: Request for Proposal (RFP) for the provision of Investment Management Services**

Having examined the Solicitation Documents, the receipt of which is hereby duly acknowledged, we, the undersigned, offer to provide Investment Management Services in accordance with the Technical Proposal and Price Schedule enclosed herewith.

We undertake, if our Proposal is accepted, to commence and complete delivery of all services specified in the contract within the time frame stipulated.

We agree to abide by this Proposal for a period of 120 days from the date fixed for opening of Proposals in the RFP, and it shall remain binding upon us and may be accepted at any time before the expiration of that period.

We understand that you are not bound to accept any Proposal you may receive.

Dated this day /month of year

Name;  
Designation:  
Signature:

Duly authorised to sign Proposal for and on behalf of\_\_\_\_\_