

# **WIRRAL COUNCIL**

## **PENSIONS COMMITTEE**

**23 MARCH 2010**

### **REPORT OF THE DIRECTOR OF FINANCE**

#### **TENDERS FOR SERVICES**

##### **1. EXECUTIVE SUMMARY**

- 1.1. The purpose of this report is to advise Members of the proposed timescales for four contracts, covering Property Estate Management, Global Custodian Services, Actuarial Services and the provision of Investment Advice.

##### **2. BACKGROUND**

- 2.1 On 23 November 2004, Pensions Committee awarded the contract for Property Estate Management to CB Richard Ellis for four years with an option of a maximum two year extension. On 14 January 2009, Members agreed an extension to 31 January 2011.
- 2.2. Also on 23 November 2004, the contract for Global Custodian was awarded to State Street for a period of five years, from a starting date to be agreed, with an option of a maximum two year extension. On 18 June 2009, Members agreed an extension to 30 September 2011.
- 2.3 On 21 September 2005, Pensions Committee awarded two separate contracts for Actuarial Services and Investment Advice to Mercer. Both contracts were for a period of six years, which allowed for the completion of two Triennial Valuations. The proposed new contracts are of a similar duration.

##### **3. DETAILS OF CONTRACTS**

- 3.1. The appendix shows the proposed timescales for each of the four contracts.
- 3.2 It is anticipated that external consultancy will be required for the custodianship contract, to ensure that tenderers' standards, responses and pricing are in accordance with current market practice.

##### **4. FINANCIAL IMPLICATIONS**

- 4.1. Property Management Contract: pension funds account for property income net of costs, any costs of the property management contract, where not recovered from tenants as service charges, are deducted from gross rental income before the net rental income is credited to the accounts.

- 4.2 Custodian contract: these costs are met from the budget. However, in accordance with the Statement of Investment Principles, MPF participates in securities lending, currently via the global custodian. Income from securities lending enhances the value of the Fund, and is expected to exceed the cost of the custodian contract.
- 4.3 Actuarial contract: the net costs are met from the budget. However much of the work and charges is for individual employers, and is therefore recovered from employers.
- 4.4 Investment advice contract: these costs are funded from the budget.

## **5. STAFFING IMPLICATIONS**

- 5.1. There are none arising directly from this report.

## **6. EQUAL OPPORTUNITY IMPLICATIONS**

- 6.1. There are none arising directly from this report.

## **7. COMMUNITY SAFETY IMPLICATIONS**

- 7.1. There are none arising directly from this report.

## **8. HUMAN RIGHTS IMPLICATIONS**

- 8.1. There are none arising directly from this report.

## **9. LOCAL AGENDA 21 IMPLICATIONS**

- 9.1. There are none arising directly from this report.

## **10. PLANNING IMPLICATIONS**

- 10.1. There are none arising directly from this report.

## **11. LOCAL MEMBER SUPPORT IMPLICATIONS**

- 11.1. There are no specific implications for any Member or Ward.

## **12. BACKGROUND PAPERS**

- 12.1. Previous reports to Pensions Committee referred to above.

**13. RECOMMENDATION**

- 13.1 That Members approve the timescales for the procurement of contracts for Estate Management, Global Custody, Actuarial Services and Investment Advice.

IAN COLEMAN  
DIRECTOR OF FINANCE

FNCE/49/10

APPENDIX

TENDER	PROPERTY MANAGEMENT	GLOBAL CUSTODY	ACTUARIAL SERVICES	INVESTMENT ADVICE
Current Supplier	CB Richard Ellis	State Street	Mercer	Mercer
End date of current contract	31 January 2011	30 September 2011	30 Sept 2011	30 September 2011
Likely Tender Type	Open	Open	Open	Restricted
Issue of OJEU Notice	May 2010	September 2010	December 2010	December 2010
Proposed duration of Contract	4 years plus up to two years extension	4 years plus up to two years extension	6 years	6 years
Expected Date of Recommendation to Committee	November 2010	March 2011	June 2011	June 2011
Proposed Start Date of New Contract	1 February 2011	1 October 2011	1 October 2011	1 October 2011
Proposed End Date of New Contract	31 January 2015 plus optional extension	30 September 2015 plus optional extension	30 September 2017	30 September 2017