

**SE-Stockholm: treasury services**

**2009/S 231-331747**

**CONTRACT NOTICE**

**Services**

**SECTION I: CONTRACTING AUTHORITY**

**I.1) NAME, ADDRESSES AND CONTACT POINT(S):**

Tredje AP-Fonden, Box 1176, Contact: Mattias Bylund, Attn: Mattias Bylund, S-111 91 Stockholm. Tel. +46 855517100. E-mail: [credit.tender@ap3.se](mailto:credit.tender@ap3.se). Fax +46 855517120.

**Internet address(es):**

General address of the contracting authority: <http://www.ap3.se>.

**Further information can be obtained at:** As in above-mentioned contact point(s).

**Specifications and additional documents (including documents for competitive dialogue and a dynamic purchasing system) can be obtained at:** As in above-mentioned contact point(s).

**Tenders or requests to participate must be sent to:** As in above-mentioned contact point(s).

**I.2) TYPE OF THE CONTRACTING AUTHORITY AND MAIN ACTIVITY OR ACTIVITIES:**

Ministry or any other national or federal authority, including their regional or local sub-divisions.  
Economic and financial affairs.

The contracting authority is purchasing on behalf of other contracting authorities: no.

**SECTION II: OBJECT OF THE CONTRACT**

**II.1) DESCRIPTION**

**II.1.1) Title attributed to the contract by the contracting authority:**

External asset management services - corporate credit (USD, EUR, GBP).

**II.1.2) Type of contract and location of works, place of delivery or of performance:**

Services.

Service category: No 6.

Main place of performance: Stockholm/Global.

NUTS code: SE110.

**II.1.3) The notice involves:**

A public contract.

**II.1.4) Information on framework agreement:**

**II.1.5) Short description of the contract or purchase(s):**

Tredje AP-Fonden (AP3) is one of five so-called buffer funds in the Swedish national pension system. The Funds are part of the pay-as-you-go component of the pension system where the current pension benefits are financed by contributions. The role of the AP Funds is to act as a buffer in the system. The AP Fund's mandate is to generate maximum possible benefit for the pension system by managing our fund capital so as to deliver strong investment returns at a low level of risk. AP3 manages a diversified global portfolio of listed equities, fixed income assets and alternative investments. The value of AP3's portfolio was SEK 188.6 billion on 30 June 2009. More info about AP3 and our role in the pension system can be found at our webpage [www.ap3.se](http://www.ap3.se).

AP3 is now seeking external managers for active and/or enhanced management of the fund's allocation to investment grade and high yield corporate bonds.

The following mandates with corresponding benchmarks will be awarded:

USD Investment Grade – BofA Merrill Lynch US Corporate Index (C0A0).

USD High Yield – BofA Merrill Lynch BB-B US High Yield Constrained Index (HUC4).

EUR Investment Grade – BofA Merrill Lynch Euro Corporate Index (ER00).

GBP Investment Grade – BofA Merrill Lynch Sterling Corporate Index (UR00).

The portfolios should be managed on a segregated basis. The positions should mainly be taken on a cash basis but limited derivatives exposure will be allowed. No short positions in cash bonds will be allowed.

Applicants may respond to one or several of the mandates.

Several managers are each to be awarded one or more mandates. More than one tenderer may hence be awarded a mandate. All mandates awarded are not necessarily to be activated. All contracts may not be funded.

Contracts awarded may not be funded at the same time.

II.1.6) **Common procurement vocabulary (CPV):**

66600000.

II.1.7) **Contract covered by the Government Procurement Agreement (GPA):**

Yes.

II.1.8) **Division into lots:**

Yes.

Tenders should be submitted for: one or more lots.

II.1.9) **Variants will be accepted:**

Yes.

II.2) **QUANTITY OR SCOPE OF THE CONTRACT**

II.2.1) **Total quantity or scope:**

The exact amount of capital allocated to each mandate is left open and will be decided at a later stage. The fund intends to activate 1-8 corporate credit mandates.

Estimated value excluding VAT:

Range: between 1,00 and 20 000 000,00 SEK.

II.2.2) **Options:**

Yes.

Description of these options: Duration of the contract is 60 months, but AP3 has the option for 3 annual extensions.

Provisional timetable for recourse to these options: in months: 60 (from the award of the contract).

Number of possible renewals: 3

in the case of renewable supplies or service contracts, estimated timeframe for subsequent contracts: in months: 96 (from the award of the contract).

II.3) **DURATION OF THE CONTRACT OR TIME-LIMIT FOR COMPLETION:**

Duration in months: 60 (from the award of the contract).

**INFORMATION ABOUT LOTS**

LOT NO 1

1) **SHORT DESCRIPTION:**

2) **COMMON PROCUREMENT VOCABULARY (CPV):**

66600000.

- 3) **QUANTITY OR SCOPE:**
- 4) **INDICATION ABOUT DIFFERENT DATE FOR DURATION OF CONTRACT OR STARTING/COMPLETION:**
- 5) **ADDITIONAL INFORMATION ABOUT LOTS:**

LOT NO 2

- 1) **SHORT DESCRIPTION:**
- 2) **COMMON PROCUREMENT VOCABULARY (CPV):**  
66600000.
- 3) **QUANTITY OR SCOPE:**
- 4) **INDICATION ABOUT DIFFERENT DATE FOR DURATION OF CONTRACT OR STARTING/COMPLETION:**
- 5) **ADDITIONAL INFORMATION ABOUT LOTS:**

LOT NO 3

- 1) **SHORT DESCRIPTION:**
- 2) **COMMON PROCUREMENT VOCABULARY (CPV):**  
66600000.
- 3) **QUANTITY OR SCOPE:**
- 4) **INDICATION ABOUT DIFFERENT DATE FOR DURATION OF CONTRACT OR STARTING/COMPLETION:**
- 5) **ADDITIONAL INFORMATION ABOUT LOTS:**

LOT NO 4

- 1) **SHORT DESCRIPTION:**
- 2) **COMMON PROCUREMENT VOCABULARY (CPV):**  
66600000.
- 3) **QUANTITY OR SCOPE:**
- 4) **INDICATION ABOUT DIFFERENT DATE FOR DURATION OF CONTRACT OR STARTING/COMPLETION:**
- 5) **ADDITIONAL INFORMATION ABOUT LOTS:**

**SECTION III: LEGAL, ECONOMIC, FINANCIAL AND TECHNICAL INFORMATION**

**III.1) CONDITIONS RELATING TO THE CONTRACT**

**III.1.1) Deposits and guarantees required:**

**III.1.2) Main financing conditions and payment arrangements and/or reference to the relevant provisions regulating them:**

**III.1.3) Legal form to be taken by the group of economic operators to whom the contract is to be awarded:**

**III.1.4) Other particular conditions to which the performance of the contract is subject:**

**III.2) CONDITIONS FOR PARTICIPATION**

**III.2.1) Personal situation of economic operators, including requirements relating to enrolment on professional or trade registers:**

Information and formalities necessary for evaluating if requirements are met: AP3 will only consider applicants who have at least 24 months' successful track record of managing credit portfolios within relevant market and segment.

Preferably the applicant should have proven track record of managing portfolios against the Merrill Lynch benchmark family.

For each of the above stated mandates, AP3 will choose a maximum of 15 applicants that will receive an RFP. The criteria for selecting applicants to receive RFPs will be based on the ranking of several measures of the risk and return characteristics of the active component of the return. AP3 works on an alpha and beta separated basis and requires that the active components of any mandate shall have low correlation with existing alpha and beta sources. Therefore the criteria for selecting applicants will also be based on an assessment of the correlation with existing alpha and beta sources within AP3. If more than 15 applicants fulfill the formal requirements for each mandate AP3 will choose the applicants with the highest ranking based on AP3s proprietary analysis framework. However, AP3 will try to choose a set of proposals with a broad variety of approaches.

The applicants should supply the following information:

- (a) A short description of company owners, owner structure and country of incorporation
- (b) Appropriate certificate of incorporation
- (c) A certificate of tax authorities that the applicant has met its obligations with regards to taxes and social insurance costs.

The applicants should also supply information requested in items III.2.2 - 3 below.

**III.2.2) Economic and financial capacity:**

Information and formalities necessary for evaluating if requirements are met: A short description of the financial status of the applying company.

**III.2.3) Technical capacity:**

Information and formalities necessary for evaluating if requirements are met:

Applicant should provide information on the following points:

- (a) A brief description of the investment process of the strategy
- (b) A brief description of risk management and compliance functions
- (c) Assets under management in the product(s); resources devoted to the management
- (d) Investment target relevant for the mandate (for example, performance target and expected risk or information ratio)
- (e) Historical performance & risk. Please provide monthly data on performance (in an Excel spreadsheet enclosed on

A separate CD). The performance should be given as gross and net of fees. The applicant should also include the returns for the actual benchmark used and a short description of the benchmark.

The combined answers to these questions (excluding the monthly performance data) should not exceed 5 pages. The successful applicants will receive an RFP that goes in to more detail in these and other areas.

**III.2.4) Reserved contracts:**

No.

**III.3) CONDITIONS SPECIFIC TO SERVICES CONTRACTS**

**III.3.1) Execution of the service is reserved to a particular profession:**

No.

**III.3.2) Legal entities should indicate the names and professional qualifications of the staff responsible for the execution of the service:**

No.

**SECTION IV: PROCEDURE**

**IV.1) TYPE OF PROCEDURE**

**IV.1.1) Type of procedure:**

Negotiated.

Candidates have already been selected: no.

**IV.1.2) Limitations on the number of operators who will be invited to tender or to participate:**

Envisaged minimum number: 3. Maximum number: 60

Objective criteria for choosing the limited number of candidates: The criteria for selecting applicants to receive RFPs will be based on the ranking of several measures of the risk and return characteristics of the active component of the return. AP3 works on an alpha and beta separated basis and require that the active components of any mandate be lowly correlated with existing alpha and beta sources. Therefore the criteria for selecting applicants will also be based on an assessment of the correlation with existing alpha and beta sources within AP3. If more than 15 applicants fulfill the formal requirements for each mandate AP3 will choose the applicants with the highest ranking based on AP3s proprietary analysis framework. However, AP3 will try to choose a set of proposals with a broad variety of approaches.

The applicants should supply information requested in items III.2.3 below.

**IV.1.3) Reduction of the number of operators during the negotiation or dialogue:**

Recourse to staged procedure to gradually reduce the number of solutions to be discussed or tenders to be negotiated yes.

**IV.2) AWARD CRITERIA**

**IV.2.1) Award criteria:**

The most economically advantageous tender in terms of the criteria stated in the specifications, in the invitation to tender or to negotiate or in the descriptive document.

**IV.2.2) An electronic auction will be used:**

No.

**IV.3) ADMINISTRATIVE INFORMATION**

**IV.3.1) File reference number attributed by the contracting authority:**

AP3 2009/233.

**IV.3.2) Previous publication(s) concerning the same contract:**

No.

**IV.3.3) Conditions for obtaining specifications and additional documents or descriptive document:**

Payable documents: no.

**IV.3.4) Time-limit for receipt of tenders or requests to participate:**

8.1.2010 - 12:00.

**IV.3.5) Date of dispatch of invitations to tender or to participate to selected candidates:**

1.2.2010.

**IV.3.6) Language(s) in which tenders or requests to participate may be drawn up:**

English. Swedish.

**IV.3.7) Minimum time frame during which the tenderer must maintain the tender:**

**IV.3.8) Conditions for opening tenders:**

**SECTION VI: COMPLEMENTARY INFORMATION**

**VI.1) THIS IS A RECURRENT PROCUREMENT:**

No.

**VI.2) CONTRACT RELATED TO A PROJECT AND/OR PROGRAMME FINANCED BY EU FUNDS:**

No.

**VI.3) ADDITIONAL INFORMATION:**

General information on AP3 can be found on our website: [www.ap3.se](http://www.ap3.se).

Important notice on secrecy: This procurement is governed by Swedish and EU legislation concerning Public Procurement. Should the applicant require prolonged security (after the procurement is finalized and closed) it should be specifically stated in the application.

Duration of the contract: The duration of the contract (as specified in II.2) is 60 months, with an option on three annual extensions.

The process: Applicants selected to tender (see section IV.1.2) will receive a detailed questionnaire (RFP) that in particular, will dwell in more detail on topics covered in III.2.3. We expect to send out this questionnaire to the selected applicants in late January/early February, 2010.

Two hard copies and also an electronic copy (CD Rom/USB memory stick) of the applicant's expression of interest to participate must be received within the time frame stated in IV.3.4 in a blank (i.e. anonymous) envelope marked "Credit tender AP3 2009/233". Specific questions concerning the procurement can be sent to the e-mail address: [credit.tender@ap3.se](mailto:credit.tender@ap3.se). Answers to all questions of general interest will be posted to AP3's website.

No later than 23.12.2009.

Please note that information not requested in this document will not be considered at this stage of the procurement process.

VI.4) **PROCEDURES FOR APPEAL**

VI.4.1) **Body responsible for appeal procedures:**

Länsrätten i Stockholm, S-Stockholm.

VI.4.2) **Lodging of appeals:**

Precise information on deadline(s) for lodging appeals: Ten days after the official appointment of asset manager/s.

VI.4.3) **Service from which information about the lodging of appeals may be obtained:**

Konkurrensverket, S-Stockholm.

VI.5) **DATE OF DISPATCH OF THIS NOTICE:**

27.11.2009.