



Annex I – Special Tender specifications OP/EUI/BFA/2018/001
Open call for tenders for the selection of an external financial Adviser for the management of the investments of the European University Institute’s Pension Reserve Fund



BUDGET AND FINANCIAL AFFAIRS SERVICE

OP/EUI/BFA/2018/001

Open Call for Tenders for the selection of an external financial Adviser for the management of the investments of the European University Institute’s Pension Reserve Fund

Annex I – Special Tender Specifications

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YEAR 2018

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CHAPTER I – GENERAL INFORMATION

Article 1 – Presentation of the European University Institute

The European University Institute (EUI) is a postgraduate and post-doctoral research institute in the field of social sciences, established by a [Convention](#) dated 19 April 1972, ratified by the Member States of the European Community, with the aim of providing advanced academic training for doctoral researchers and of promoting research at the highest levels. The Convention setting up the EUI includes the “Protocol on the Privileges and Immunities of the EUI”.

The EUI Community numbers about 1.300 members. Researchers, academic and administrative staff are for the most part – though not exclusively – citizens of the Member States.

The EUI's headquarters are at the Badia Fiesolana, Via dei Roccettini 9, in San Domenico di Fiesole (near Florence, Italy).

For more information, please see the EUI's official website at www.eui.eu.

Article 2 – Definitions

“Company” and “Contractor” or “Adviser” mean the company to which the tender has been awarded and to which the provision of the services object of these Tender Specifications (T.S.) is entrusted. “Tenderer” refers to the company that presents a bid.

“Contracting Authority” and “Institute” mean the European University Institute, which entrusts the services object of these Tender Specifications to the Company.

“Investment adviser” or “Investment manager” or “Financial adviser” mean the “contractor” or “company” that, based on the analysis of past performance, current or projected market conditions, and the underlying financial structure of a specific deal, delivers investment recommendations to the Institute and monitors the activity of the external asset(s) manager(s).

“External manager” or “Asset manager” or “Portfolio manager mean the “Contractor” or “company” who is responsible for making investment decisions and carrying out investment activities on behalf of the Institute and under the monitoring and supervision of the investment adviser.

Article 3 – Object

The European University Institute (EUI) is launching an Open Call for Tenders for the selection of an external specialist financial Adviser for the management of the investments of the Institute’s Pension Reserve Fund. The services to provide are specified from article 10 to article 15.

The Institute shall be treated as Retail Client under Mifid II Regulation.

Article 4 – Duration of the contract

The contract will have a duration of one year extendable to a maximum of seven years.

Article 5 - Estimated cost of the provision of services

The overall value of the service to be provided over a total 7 (seven) years period is estimated at € 290.000€, VAT excluded.

The amount has been determined on the basis of:

- a) the annual amount of investment adviser services as established in articles 11, 12, 13 and 14 (estimated in 40.000€/year);
- b) the amount for supporting the Institute in the selection of assets managers as established in article 15 is estimated in 10.000€ per selection process.

These estimates will be considered valid only in order to establish the overall value of the tender and do not obligate the Contracting authority to reach the above-mentioned total amount. For that reason, the Company will not claim anything but the payment of the services provided to the Institute according to the established terms and conditions.

In proposing the fees, the tenderer should be aware that the amount offered must cover all types of costs, expenses and obligations.

Article 6 - Payment arrangements and price revision

The Contracting authority shall make payment within 60 (sixty) days from receipt of invoice, in accordance with the arrangements specified in article I.4 and article II.15 of the draft Service Contract.

The amount due for the services to be provided may be revised on the basis of Article I.3 of the draft Service Contract.

Article 7 – Amount of the Pension Reserve Fund investments

The portfolio assets of the Pension Reserve Fund managed by the External Manager(s) sums around 50 million euro.

The Pension Reserve Funds has also present investments decisions made in alternative investments (private equity, hedge funds and real estate investments) of around 5 million.

Article 8 – External Manager(s) of the Pension Reserve Fund

The High Council of the European University Institute shall decide to appoint one or more External Managers (“External Managers”) of the fund, with the required special qualifications and knowledge after consulting its financial advisor. External Managers may be a bank, management company, insurance company, investment firms or other entity.

The Institute shall decide the quota of the fund to be assigned to each External Manager.

A contract laying down the rules and procedures governing the management of the fund allocated shall be agreed between the Institute and each External Manager (“Management Contract”).

The Management Contract shall be compliant with Mifid II Regulation and the Contractor will support the Institute in this evaluation.

The designated External Managers shall have the necessary freedom of action and may manage the portfolio at their discretion, taking account of the contractual investment guidelines, based on the investment guidelines adopted by the High Council. The guidelines shall be regularly reviewed by the European University Institute and revised by the High Council when necessary.

Article 9 – General investment guidelines

The Guidelines in force are established in the High Council Decision N. 6/13 of, 6 December 2013, and are the following:

- a) The investments portfolio must comply with the following general guidelines:
 - 1. The minimum management objective is to preserve the capital over a period of five years.
 - 2. The management remits shall mainly be of the "total return" type, with a view to ensuring a maximum capacity to preserve the capital in the event of negative market conditions.
 - 3. The funds invested and awaiting investment shall remain the property of the Institute at all times

When assigning the assets in the portfolio, the External Manager shall take account of the Institute's tax privileges.

- b) The composition of the investment portfolio must also comply with the following guidelines:
 - a) Preferred types of investment include fixed-interest securities and other debt securities issued by public or private institutions with a good credit rating.

Securities acquired from a single issuer should not, as a rule, exceed 5% of the assets of the fund, except for debt securities issued by European Union Member States and/or their institutions, where the limit is 20%.

The reserve fund may not hold more than 5% of its assets in debt securities which have no rating or where the rating would be below the minimum level of "investment grade".
 - b) In addition to specific securities, the reserve fund may invest in investment funds and unit trust companies and similar products regulated and approved by a financial authority of the EU or a Member State.
 - c) The reserve fund may invest up to 10% of its assets in hedge funds and in funds of hedge funds. However, it may not invest more than 0.50% of its assets in a single hedge fund
 - d) Derivatives designed to cover risks on investment funds may be used. Derivative instruments must be contracted on liquid markets and with counterparties having a good credit rating

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- e) Investments may be made in currencies other than those of the Member States of the Institute, but in this case the positions not covered against exchange risks may not exceed 25% of the amount invested in currency
- f) In no case may more than 30% of the assets in the reserve fund be invested in stocks and shares with a risk level similar to the stock markets. This ceiling shall be reduced by the amount of any investments in hedge funds (3.3).
- g) The reserve fund may invest up to 20% of its assets in closed-end funds or vehicles with a long-term investment period, longer than 5 years but reasonably expected not above 10 years, on the advice of the fund's financial advisor. These funds or vehicles can be invested in real estate, private equity, corporate loans and other financial assets in a well-diversified portfolio. No unlisted direct investments will be allowed. Any closed-end investment vehicle must have its annual statements audited by a registered auditing company and have a governance which prevents/limits conflict of interests.
- h) No investments may be made in works of art or non-financial assets.

Any other type of investment must be submitted to the High Council for approval.

The External Manager shall provide the Institute and /or the contractor with the following information:

- a) A monthly valuation in euros of the portfolio of securities, based on the market price and the average official exchange rate of the last working day of the month in question, with a breakdown of the securities by category. Valuations must be submitted within three weeks of the end of the month to which they refer.
- b) A quarterly management report containing accurate information on the performance achieved and a comparison of this performance with the corresponding stock-market indices. Reports must be available within one month of the end of each quarter.
- c) In addition to an annual report audited by a registered auditing company, the external manager of a closed-end fund must provide at least half-year unaudited updates on the evolution of its underlying investments.
- d) Any other report and/or valuation the Institute and/or the Contractor on its behalf may require during the period of execution of the Management Contract.

The currency used in the report shall be the euro.

The investment firm shall give the Institute timely notice of any transaction liable to lead to a conflict between its own interests and those of the Institute (such as the purchase of securities to be invested by a financial institution associated with the manager).

The External Manager shall immediately provide any information requested by the Institute. They shall also provide any information requested by the Institute's auditors.

CHAPTER II – DESCRIPTION OF SERVICES

Article 10 – Subject of the contract

The investment adviser services consist in the following activities:

- a) Regular and detailed monitoring of the activities of the external asset manager(s) with the mandate for the portfolio management for ensuring compliance with the High Council, Supervisory Board and Institute’s guidelines concerning the management of the Pension Reserve Fund’s assets;
- b) Checking the adequacy of the Guidelines to market evolution, proposing changes in the guidelines if advisable for the Institute’s best interests;
- c) Preparing and presenting new investment proposals;
- d) Detailed and customized reporting services;
- e) Supporting the Institute in the selection of the External Manager(s).

Article 11 – Regular and detailed monitoring of the Asset Manager(s)

In accordance with the Guidelines, the Adviser main line of action involves monitoring the management of the investments of the entire Pension Reserve Fund. In addition to the investment policies’ non-compliance with or deviation from the guidelines of the Pension Reserve Fund, monitoring includes providing the Institute with highly specialised advice on the investments made by the Manager(s), namely:

- a) Regular and detailed monitoring and valuation of the portfolio composition (asset allocation strategy, liquidity, consolidated financial situation), per asset manager;
- b) Regular and detailed monitoring and valuation of the portfolio performance, at a consolidated level, per asset class and per asset manager;
- c) Regular and detailed monitoring and valuation of the risk of the portfolio, at a consolidated level, per asset class and per asset manager;
- d) Monitoring and analysing the performance, management and trading fees of Asset Manager(s) in order to evaluate its compliance with the signed contract.

The Adviser must check the compliance of the investment composition with the Guidelines at the consolidated level and with the specific contract signed with the Asset Manager(s).

Concerning the performance and management fees charged by the asset manager(s) the Adviser must confirm its correctness when required by the Institute’s and report, at least quarterly, the total amount charged by nature of fees and by asset manager(s).

Article 12 – Monitoring and checking the adequacy of the Guidelines

The Adviser must inform the Institute about the adequacy of the Guidelines to the market evolution, or due to market trends or the existence of new financial instruments, and to assess, on an annual basis, the need to modify the guidelines, taking into account the best interests of the Institute.

When, as a consequence of the evaluation of its adequacy, an amendment of the Guidelines becomes necessary, the Adviser must prepare the draft document of the new guidelines for appreciation by the Supervisory Board.

The draft document must contain, among other features considered relevant by the Adviser for the decision making process:

- a) The proposal of minimum and maximum thresholds for the asset classes and investment instruments;
- b) A detailed analysis supporting the proposed changes;
- c) An analysis of possible short and long-term market scenarios and the expected return on investments with the proposed changes.

Article 13 – Preparing and presenting new investment proposals

The proposals for new investment opportunities must comply with the Mifid II Regulation and Guidelines and risk profile of the Institute. The preparation and presentation of the proposals must contain explanatory notes on the proposed investment. The proposals must also contain, among other features considered relevant by the Adviser for the decision making process:

- a) An analysis of the macroeconomic scenario and reference markets;
- b) The market assumptions on the base of the proposal;
- c) Detailed assessment reports on the historical trends on the performance, volatility and risk of the proposed investment;
- d) The result of a benchmarking exercise with other investment(s);
- e) Detailed assessment reports on the owner/manager of the proposed investment.

The Adviser should also support the Institute in the administrative preparation of the investment subscription process, including communication with the owner/manager of the new investment and if necessary provide legal support to questions that might arise.

The activities under Article 13 shall be described in the advisory agreement according with Mifid II Regulation, which will contain all the provisions requested by such Regulation for the execution of advisory investment services towards a Retail Client.

Article 14 – Detailed and customized reporting

As result of the line of actions or activities established in articles 11, 12 and 13, the Adviser must provide the Institute with the relevant and adequate information to follow up the return on the investment, the identification of portfolio and asset manager(s) risks and possible mitigation actions, and to allow a sustainable process making decision in issues related to the overall activity of investments’ management.

The reporting activity must comply with the following frequency and content:

| N. | FREQUENCY | CONTENT |
|-----------|------------------|--|
| 1 | M/A | Consolidated Financial Statement on the investments |
| 2 | M/A | Market Performance Report |
| 3 | M/A | Macroeconomic Analysis |
| 4 | M/A | Portfolio Risk Report |
| 5 | Q/A | Report on asset manager(s) fees |
| 6 | A | Assessment on the adequacy of the Guidelines of the Pension Reserve Fund |

The content of points 1, 2, 3 and 4 may be grouped in a single report.

The monthly reports must contain an estimate value of the assets as at the last day of the reporting year.

The reporting function also includes a presentation to the meetings of the Supervisory Board, at least once a year, focusing, namely on points 1, 2, 3, 4 and 6.

Article 15 – Supporting services for the selection of Asset Manager(s)

The Adviser will provide assistance to the Institute for the selection of the Asset Manager(s) of the Pension Reserve Fund. The mandate of the Asset Manager(s) is foreseen to take effect as of February 2018 and shall be valid for one year, renewable for a maximum of seven years.

The advisory services for the selection of the new Asset Manager(s) can include the following functions:

- a) Identifying potential asset manager(s)
- b) Defining selection and evaluation criteria (technical and economic)
- a) Evaluation of the offers (technical and economic) to establish the final score
- b) Preparing a report to support the advice to the Supervisory Board on the Asset Manager(s) to whom the contract shall be awarded
- c) Assisting the Institute during the contract negotiation phase with the external manager(s)

The precise terms and level of the services to provide regarding the assistance to the selection of the Asset Manager(s), will be settled by the Institute’s taking into consideration the procurement framework in place at the time of the selection of the new manager(s) of the portfolio assets.

CHAPTER III - EXCLUSION, SELECTION AND AWARDING CRITERIA

Article 16 – Evaluation process

The evaluation process is based on the data provided by the Tenderers and is developed in three successive phases:

1. Checking the tenderers according to the exclusion criteria;
2. Selection of the tenderers according to the selection criteria;
3. Evaluation of the tender according to the awarding criteria.

Only the tenders submitted by tenderers assessed to be in compliance with the exclusion and selection criteria shall be evaluated according to the established awarding criteria.

Article 17 – Exclusion criteria

Shall be excluded from participating in the present call for tenders, any Tenderer that:

- a) is bankrupt or being wound up, is having its affairs administered by the courts, has entered into an arrangement with creditors, has suspended business activities, is the subject of proceedings concerning those matters, or is in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
- b) has been convicted of an offence concerning grave professional conduct by a final judgment of a competent judicial authority or administrative decision or decisions of international organisations;
- c) is not in compliance with its obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which it is established or with those of Italy being the country of establishment of the Institute or those of the country where the contract is to be performed. This breach needs to have been established by a judgement or administrative decision having final and binding effect in accordance with the legal provisions of the country in which the economic operator is established or of Italy being the country of establishment of the Institute;
- d) has been the subject of a final judgment for fraud, corruption, involvement in a criminal organisation, money laundering, terrorist-related offences, child labour or other forms of trafficking in human beings or any other illegal activity, where such illegal activity is detrimental to the Institute's financial interests;
- e) has been in serious breach of a contract financed by the Institute or has been the subject of an offense of serious irregularity established by a final judgment of a competent judicial authority or administrative decision;
- f) is subject to an administrative penalty for being guilty for grave professional misconduct, or for having made substantial errors or committed irregularities or fraud, or have been declared to be in breach of their obligations under contracts covered by the Institute’s budget (Article 41 of the EUI’s Public Procurement Regulation (President’s Decision No. 36/2016 of 4 August 2016))
- g) has a conflict of interest in connection with the contract; a conflict of interest could arise in particular as a result of economic interests, political or national affinity, family, emotional life

or any other shared interest, including conflicting professional interests; at present or occurred over the past 5 years.

Documents proving admissibility on the basis of the criteria for exclusion detailed above:

As sufficient proof that the Tenderer does not fall under the cases described previously, the Contracting authority will accept a signed declaration of honour, as indicated in the form attached as Annex II-C.

The Institute reserves the right to verify the accuracy of this information and to request additional supporting documents providing further evidence before the contract is signed.

Article 18 - Selection criteria

To be eligible for the tender procedure, tenderers must comply with the general, technical, professional, economic and financial capacity requirements.

General requirements

1. Enrolment in the Chamber of Commerce, Industry, Arts and Crafts Registry of Companies (CIAA), or in an equivalent registry in the country where the Company has its official and legal headquarters, registered as practising business activities in the field that is the object of this tender procedure, or at least a field that is consistent with the object of the tender;
2. Anti-mafia certificate. Whether the successful Tenderer has its registered office in Italy, the Institute reserves the right to request the competent Prefecture to issue the related Anti-mafia certificate; an equivalent document will be requested in case the successful Tenderer’s registered office is located outside of Italy;
3. To be in compliance with the provisions aimed at legalizing the position of undeclared employees (Individual legalization plans - Piani Individuali di Emersione);
4. To be in compliance with all obligations relating to the payment of social security and insurance contributions in favour of its employees, in full observance of existing legislation; and to apply the employment conditions envisaged in the sector's national collective labour agreement;
5. To undertake, in the event it is awarded the tender, to provide any and all required documentation in order to prove that it is fully up-to-date in its payment of social security and insurance contributions (e.g., through a DURC certificate), in compliance with existing legislation;
6. Declaration confirming that it has taken note of all general, particular and local circumstances, barring none, and of all other elements which may directly or indirectly influence the performance of the service, or the calculation that has led to the Offer submitted with its bid; and that this Offer is profitable, and that the Company undertakes to hold said Offer valid and binding for one-hundred-and-eighty (180) days, starting from the deadline for submission of its bid;

Technical, professional, economic and financial capacity requirements

1. Authorisation from the competent authority to provide the services described in article 10, points a), b), c) and d) of the Tender Specifications (Annex I);

2. To have extensive and demonstrable experience in the provision of services described in article 10 (a), b), c) and d), by presenting a list of the principal services similar to those put forth for tender having been carried out in the years of 2015, 2016 and 2017, with the descriptions of the object, the respective amount, dates and client identification, Retail and/or Professional;
3. To be able to supply staff with profiles in compliance with the services to provide and that are described in articles 11, 12, 13, 14 and 15;
4. Having two bank references from prime banks, or financial companies included in the registers of authorized brokers, issued after the date of the Invitation to tender and the publication of these Tender Specifications, proving that the Tenderer has always met its obligations punctually and regularly, and that Tenderer possesses the economic and financial capacity to perform the services that are the object of this tender; whether the Tenderer can provide only one bank reference, it is necessary for its Legal Representative to submit an appropriate explanation on this matter;
5. To have generated an annual turnover in the financial years of 2014, 2015 and 2016, of at least € 500.000 (five hundred thousand EUR).

The Institute reserves the right to perform sample checks in order to verify the accuracy of the statements submitted by Tenderers.

Article 19 – Awarding criteria

Only the tenderers that meet all the requirements listed in Article 17 and Article 18 shall be eligible for the next stage of the procedure, the technical and economic evaluation of their offers.

The contract will be awarded to the most economically advantageous tender (“**best value for money**”), based on the evaluation that will be carried out by the Institute's internal committee entrusted with this task (Evaluation Committee), which will attribute a final score to each offer, according to the following parameters:

| MAXIMUM SCORE | |
|----------------------|--------|
| Technical evaluation | 60/100 |
| Economic evaluation | 40/100 |

The total score (Points) assigned to the offer is made up of the sum of its technical evaluation points plus its economic evaluation points:

| |
|--|
| $P \text{ offer} = (P1) \text{ technical evaluation} + (P2) \text{ economic evaluation}$ |
|--|

The Tenderer whose offer obtains the highest final score is the Tenderer who will be awarded with the contract.

A – Scoring system for Technical Evaluation

Scores will be allocated to each parameter, for a total score out of 100. The final score for technical aspects will then be multiplied by the quality coefficient (60).

| TECHNICAL EVALUATION (1) – ORGANIZATION | | MIN. SCORE | MAX. SCORE |
|--|--|-------------------|-------------------|
| 1 | Independent Model of Advisory Services | 1 | 4 |
| 2 | Total assets under management or advising at the time of submission of the offer | 1 | 3 |
| 3 | Number of Retail and Professional clients with a portfolio superior to 10 Million EUR and with more than 24 months of client loyalty | 0 | 3 |
| 4 | Number of Retail and Professional clients with equal or similar mandates (Pension Funds or equivalent nature) and with more than 24 months of client loyalty | 0 | 4 |
| 5 | ISO certification or equivalent (connected to the subject of the contract or to organizational aspects) | 1 | 2 |
| TOTAL SCORE | | 3 | 16 |

Scores will be assigned in accordance with the evaluation description presented in the following tables:

1. Independent Model of Advisory Services

| EVALUATION DESCRIPTION | SCORES |
|---|---------------|
| The Advisor shall describe if it has been adopted an Independent Model of rendering Advisory Services and the measure to assure the maintenance of its independent status | 4 |
| The Advisory has not adopted an Independent Model | 1 |

2. Total assets under management or advising at the time of submission of the offer

| EVALUATION DESCRIPTION | SCORES |
|-------------------------------|---------------|
| Equal or superior to 1billion | 3 |
| Inferior to 1 billion | 1 |

3. Number of Retail and Professional clients with a portfolio superior to 10 million EUR and more than 24 months of client loyalty

| EVALUATION DESCRIPTION | SCORES |
|-------------------------------|---------------|
| Equal or superior to 5 | 3 |
| Equal of inferior to 4 | 1 |
| 0 | 0 |

4. Number of Retail and Professional clients with equal or similar mandates for reference (Pension Funds or equivalent nature) and more than 24 months of client loyalty

| EVALUATION DESCRIPTION | SCORES |
|------------------------|--------|
| >= 3 | 4 |
| 1 and 2 | 2 |
| 0 | 0 |

5. ISO certification or equivalent certification (connected to the subject of the contract)

| EVALUATION DESCRIPTION | SCORES |
|---|--------|
| 1 or more ISO certification or equivalent | 2 |
| 0 | 1 |

| TECHNICAL EVALUATION (2) – ADVISORY AND INVESTMENT TEAM | | MIN. SCORE | MAX. SCORE |
|---|---|------------|------------|
| 1 | Number of team members to allocate to the services to provide to the Institute (including backup staff) | 1 | 5 |
| 2 | Years of experience in monitoring portfolio assets with total return with equal or similar mandates | 0 | 10 |
| 3 | Years of experience in alternative investments | 1 | 5 |
| 4 | Average return on investment of the team (Institute’s team) in the years of 2014, 2015 and 2016 | 3 | 5 |
| 5 | Communication model with the Institute | 1 | 5 |
| 6 | Training program of the team and model for assessing the performance of the team | 1 | 3 |
| 7 | Average response time to requests (i.e. clarifications or specific reporting needs) | 1 | 2 |
| TOTAL SCORE | | 8 | 35 |

Scores will be assigned in accordance with the evaluation description presented in the following table:

1. Number of team members to allocate to the services to provide to the Institute (including backup staff)

| EVALUATION DESCRIPTION | SCORES |
|------------------------|--------|
| > to 5 | 5 |
| 5 or 4 | 4 |
| 3 or 2 | 2 |
| 1 | 1 |

2. Years of experience in advising portfolio assets with total return for equal or similar mandates to the one of the Institute (Pension Reserve Fund or similar)

| EVALUATION DESCRIPTION | SCORES |
|------------------------|--------|
| >= to 10 | 10 |
| Between 6 - 9 | 7 |
| Between 5 - 2 | 3 |

| | |
|-----|---|
| 0-1 | 0 |
|-----|---|

3. Years of experience in alternative investments management and/or advising

| EVALUATION DESCRIPTION | SCORES |
|------------------------|--------|
| >= to 7 | 5 |
| Between 2 – 7 | 3 |
| < to 2 | 1 |

4. Average return on investment of the members of the team (Institute’s team) in the years of 2014, 2015 and 2016

| EVALUATION DESCRIPTION | SCORES |
|------------------------|--------|
| >= to 4% | 5 |
| < to 4% | 3 |

5. Communication model with Institute

| EVALUATION DESCRIPTION | SCORES |
|--|--------|
| The communication channel allows: a) a permanent and direct access to the financial position of the Institute’s investments; b) a systematic and periodical communication on the market conditions and evolution; c) a communication with the investment team through a Single Point of Contact; d) other features with value added for the communication between the Institute and the financial Adviser | 5 |
| The communication channel allows: a) a periodical access to the financial position of the Institute’s investments (monthly, quarterly and annual), delivered by the Adviser; b) a periodical communications on the market conditions and evolution (monthly, quarterly and annual); c) a communication with the investment team accordingly to the distinct competences of the team member; d) other features with value added for the communication between the Institute and the financial Adviser | 1 |

6. Training program for the team and model for assessing the performance of the team

| EVALUATION DESCRIPTION | SCORES |
|---|--------|
| There is an annual exercise to identify the needs of training for the team members; there is an annual Training Plan approved; there is a number of hours established for each member of the team to attend to; there is specific training for the market evolution and new investments; there is an established process for the assessment of the team performance; the assessment of the performance of the staff, includes also the overview of potential conflict of interest between staff/client/investment | 3 |
| There is no annual exercise to identify the needs of training for the team members; the training requested in of team member initiative; there is no policy of systematic assessment | 2 |

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| | |
|---|---|
| of the team performance | |
| There is no training program and or no systematic assessment of the performance of the team | 1 |

7. Average response time to requests (i.e. clarifications or specific reporting needs)

| EVALUATION DESCRIPTION | SCORES |
|------------------------|--------|
| 24 hours | 2 |
| More than 24 hours | 1 |

| TECHNICAL EVALUATION (3) – MODEL OF PORTFOLIO MONITORING AND DECISION MAKING PROCESS FOR NEW INVESTMENTS PROPOSALS | | MIN. SCORE | MAX. SCORE |
|--|--|------------|------------|
| 1 | Description of the model to assess the portfolio return on investment (total return mandate) and portfolio management style of the asset manager(s) of the Pension Reserve Fund of the Institute | 1 | 11 |
| 2 | Decision making process for new investment proposals | 1 | 7 |
| 3 | Description of the model to assess the asset managers’ corporate governance and ownership structure | 1 | 3 |
| TOTAL SCORE | | 3 | 21 |

Scores will be assigned in accordance with the evaluation description presented in the following table:

1. Description of the model to assess the portfolio return on investment and portfolio management style

| EVALUATION DESCRIPTION | SCORES |
|---|--------|
| The description of the model includes all: a) assessment of the return on investment at a consolidated level (all classes); b) assessment of the return on investment by asset class; c) assessment of the return on investment by asset manager(s); d) assessment of the return on investment by composition for each asset manager; e) risk assessment through benchmark analysis for assessment; f) evolution of the return of investment by portfolio manager and by alternative investment starting in the previous year; g) evolution of the return on investment on the last 36 months; h) assessment of the asset allocation strategies and the guarantee of the customers’ best interests ;i) other features that can be relevant for assessing the financial position of the investments of the Pension Reserve Fund | 11 |
| The description of the model includes some, <u>but not all</u> , of the features under assessment, such as: a) assessment of the return on investment at a consolidated level; b) assessment of the return on investment by asset class; c) assessment of the return on investment by asset manager(s); d) assessment of the return on investment by composition for each asset manager; e) risk assessment through benchmark analysis for assessment; f) evolution of the return of investment by portfolio manager and by alternative investment starting in the previous year; g) evolution of the return on investment on the last 36 months; h) assessment of the asset allocation strategies and the guarantee of the customers’ best interests; i) other features that can be relevant for assessing the financial position of the investments of the Pension Reserve Fund | 7 |
| The model is insufficiently described not allowing the assessment of its adequacy to the Institute’s requirement (i.e. the features under assessment are not understandably | 1 |

| | |
|------------|--|
| described) | |
|------------|--|

2. Decision making process for new investment proposals

| EVALUATION DESCRIPTION | SCORES |
|--|---------------|
| The description of the process considers: a) existence of an internal research team in charge of the analysis of market conditions and evolution; b) detailed assessment of the manager/owner of the new investment; c) analysis of the macroeconomic scenario and reference markets; d) describes the market assumptions on the base of the proposal; e) historical trends on the performance, volatility and risk of the investment; f) benchmark exercise with other investments; g) the proposal is dully supported with metrics and accessible language in order to allow a clear and sustained decision-making by the Institute; h) other features that can be relevant to allow a clear and sustained decision-making by the Institute | 7 |
| The description of the process considers some, <u>but not all</u> , of the features under assessment, such as: a) existence of an internal research team in charge of the analysis of market conditions and evolution; b) detailed assessment of the manager/owner of the new investment; c) analysis of the macroeconomic scenario and reference markets; d) describes the market assumptions on the base of the proposal; e) historical trends on the performance, volatility and risk of the investment; f) benchmark exercise with other investments; g) the proposal is dully supported with metrics and accessible language in order to allow a clear and sustained decision-making by the Institute; h) other features that can be relevant to allow a clear and sustained decision-making by the Institute | 3 |
| The process is insufficiently described not allowing the assessment of its adequacy to the Institute’s requirement (i.e. the features under assessment are not understandably described) | 1 |

3. Description of the model to assess the asset manager(s) corporate governance and ownership structure

| EVALUATION DESCRIPTION | SCORES |
|--|---------------|
| The model described includes: a) existence of a Conflict of Interest char; b) existence of a clear policy for retribution for the investment team in connection to the return on investment; c) risk management framework and adequacy of the procedures to mitigate the risks; d) internal control, procedures are established for Conflict of Interest and policy; c) internal control, procedures are established for monitoring the system of retribution for the investment team in connection to the return on investment; d) other features described that can be relevant for the assessment of the asset manager(s) | 3 |
| The process describes some of the features, <u>but not all</u> , of the features under assessment, such as: a) existence of a Conflict of Interest char; b) existence of a clear policy for retribution for the investment team in connection to the return on investment; c) risk management framework and adequacy of the procedures to mitigate the risks; d) internal control, procedures are established for Conflict of Interest and policy; c) internal control, procedures are established for monitoring the system of retribution for the investment team in connection to the return on investment; d) other features described that can be relevant for the assessment of the asset manager(s) | 1 |

| TECHNICAL EVALUATION (4) – REPORTING FUNCTION | | MIN. SCORE | MAX. SCORE |
|---|--|---------------|---------------|
| 1 | Periodic reporting to the Institute with focus on the portfolio risk analysis | 1 | 9 |
| 2 | Periodic reporting to the Institute with focus on the portfolio return on investment | 1 | 9 |
| 3 | Structure and content of the annual reporting for purposes of integration in the annual accounts | 1 | 6 |
| 4 | Reporting on the control made on the fees charged by the asset managers | 1 | 3 |
| 5 | Other reporting tools or functions with value added for the Institute | 0 | 1 |
| TOTAL SCORE | | 4 | 28 |

Scores will be assigned in accordance with the evaluation description presented in the following table:

1. Periodic reporting to the Institute with focus on the portfolio risk analysis

| EVALUATION DESCRIPTION | SCORES |
|---|--------|
| The report should: a) be in English; b) in compliance with the requirements of article 11 and article 14 of this Tender Specifications document | 9 |
| The report complies with some of the requirements <u>but not</u> with all of them | 5 |
| The content of the report does not comply with the required parameters | 1 |

2. Periodic reporting to the Institute with focus on the return on investment of the portfolio

| EVALUATION DESCRIPTION | SCORES |
|--|--------|
| The report should: a) be in English; b) in compliance with the following requirements: a) Regular and detailed monitoring and valuation of the portfolio composition (asset allocation strategy, liquidity, consolidated financial situation), per asset manager; b) Regular and detailed monitoring and valuation of the portfolio performance, at a consolidated level, per asset class and per asset manager; c) Regular and detailed monitoring and valuation of the risk of the portfolio, at a consolidated level, per asset class and per asset manager; d) Monitoring and analysing the performance, management and trading fees of Asset Manager(s) in order to evaluate its compliance with the signed contract; e) Consolidated Financial Statement on the investments; f) Market Performance Report; g) Portfolio Risk Report; h) Report on asset manager(s) fees; i) Assessment on the adequacy of the guidelines of the Pension Reserve Fund | 9 |
| The report complies with some of the requirements <u>but not</u> with all of them | 5 |
| The content of the report does not comply with the required parameters | 1 |

3. Structure and content of the annual reporting for purposes of integration in the annual accounts

| EVALUATION DESCRIPTION | SCORES |
|--|--------|
| The report should: a) be in English; b) in compliance with the following requirements: | 6 |

Annex I – Special Tender specifications OP/EUI/BFA/2018/001
Open call for tenders for the selection of an external financial Adviser for the management of the investments of the European University Institute’s Pension Reserve Fund

| | |
|--|---|
| a) Regular and detailed monitoring and valuation of the portfolio composition (asset allocation strategy, liquidity, consolidated financial situation), per asset manager; b) Regular and detailed monitoring and valuation of the portfolio performance, at a consolidated level, per asset class and per asset manager; c) Regular and detailed monitoring and valuation of the risk of the portfolio, at a consolidated level, per asset class and per asset manager; d) Monitoring and analysing the performance, management and trading fees of Asset Manager(s) in order to evaluate its compliance with the signed contract; e) Consolidated Financial Statement on the investments; f) Market Performance Report; g) Portfolio Risk Report; h) Report on asset manager(s) fees; i) Assessment on the adequacy of the guidelines of the Pension Reserve Fund | |
| The report complies with some of the requirements <u>but not</u> with all of them | 3 |
| The content of the report does not comply with the required parameters | 1 |

4. Reporting on the control made on the fees charged by the asset managers and inducements

| EVALUATION DESCRIPTION | SCORES |
|--|--------|
| The report should: a) be in English; b) quarterly issued; c) present the fees charged each quarter according to the contract; c) present the sum of fees charged by each asset manager at the end of the last reference quarter; d) contain a declaration of compliance of the fees charged with the contract; e) Contains analysis about application of inducements and its compliance with Mifid II Regulation | 3 |
| The report complies with some of the requirements <u>but not</u> with all of them | 2 |
| The content of the report does not comply with the parameters required | 1 |

5. Other reporting tools or functions with value added for the Institute

| EVALUATION DESCRIPTION | SCORES |
|---|--------|
| The reporting features proposed add value to the requirements of reporting function | 1 |
| The reporting features proposed don’t add value to the requirements of reporting function | 0 |

The minimum for technical eligibility is to score 51 points. If Tenderers do not score at least 51 points, they will not proceed to the next phase, i.e. the evaluation of the economic offer.

The final score for the Technical Evaluation is determined has follow:

| |
|---|
| $\text{Technical evaluation (A)} = (T.1) + (T.2) + (T.3) + (T.4) \times 60\%$ |
|---|

(A)= Score allocated to the Technical Offer

B – Scoring system for the Economic Evaluation

Each candidate shall provide details for the activities under Price B1 and Price B2.

- Price B1 corresponds to the period for 7 years
- Price B2 corresponds to the price for a single selection process for the Asset Managers

Different coefficients shall be applied for Price B1 and Price B2:

| ECONOMIC EVALUATION | | COEFFICIENT |
|---------------------|---|-------------|
| B1 | Activities described under articles 11, 12, 13 and 14 | 0.9 |
| B2 | Activities described in article 15 | 0.1 |
| TOTAL | | 1.0 |

The maximum score for the economic evaluation shall be awarded to the Tenderer with the most competitive price (considering the varying impact of the coefficient). The other Tenderer will be scored (the score will be rounded off to the second decimal, if necessary) according to the ratio between the minimum price and the price offered by each candidate, as shown in the formula below:

| | |
|---------------------------------|---|
| Economic Evaluation (B) = 40% x | $\frac{\text{Min. price} = (\text{Price B1} \cdot 0.9) + (\text{Price B2} \cdot 0.1)}{\text{Price in Offer} = (\text{Price B1} \cdot 0.9) + (\text{Price B2} \cdot 0.1)}$ |
|---------------------------------|---|

(B)= Score allocated to the Economic Offer

Article 20 – Awarding requirements

The successful Tenderers, on the date established by the Contracting authority, for the purposes of the final awarding, must:

- a) provide certified true copies of all certificates presented as documentation for the tender procedure;
- b) in the case of a TGC and/or consortium, provide the TGC/consortium act and the special collective mandate with representation conferred to one party of the TGC/consortium who acts as proxy;
- c) a copy of the court records of the legal representative of the Tenderer.

If the successful Companies do not promptly comply with the obligations above, do not submit all the requested documents or do not provide proof that they meet the requirements for the tender, namely

that the proof is not considered conforming with the declarations made at the time of the tender, the Administration reserves the right to declare the bids lapsed and to launch a new call for tender, without prejudice to further costs incurred by the Contracting authority to be charged to the Tenderers at fault.

Should the assessment of the items above result in a positive outcome, the Tenderers will be awarded the Contract and formally invited to sign the contract.

CHAPTER IV – FINAL PROVISIONS

Article 21 – General information

All aspects of the tender procedure shall be performed in compliance with the Institute's internal regulations, and especially in accordance with High Council's Decision No.6/2015 laying down the EUI's regulatory and financial provisions, and with the President's Decision No.36/2016 on Public Procurement, all of which are available on the EUI's website: <http://www.eui.eu/About/Tenders/Index.aspx>.

Participation in this tender procedure implies full acceptance of the above-mentioned regulations.

The rules governing the future relationship between the Contracting Authority and the Contractor to whom the tender is awarded are contained in the Draft Service Contract provided by the Institute and included in the tender documents.

Article 22 – Person responsible for the contract

The Contracting Authority appoints the Chief Accountant as person responsible for this tender procedure and contract.

The Person responsible shall be in charge of all exchanges and communications with the Company that is awarded the contract, on all issues relating to the performance of the services in question, and shall be responsible for ensuring that contractual obligations are observed, enacting coercive provisions and applying penalties whenever necessary.

Article 23 – Reference person of the contract

In order to ensure that the contract is performed satisfactorily and to guarantee a correct contractual relationship with the Company that is awarded the contract, the Chief Accountant, Júlia Serrano, will be the Reference person for the contract. Among other tasks, the Reference person shall:

- act as contact person for all operational and practical exchanges with the Contractor;
- follow up and act on requests for interventions in cases when it becomes necessary to introduce changes and/or new provisions, during the implementation of the contract;
- oversee the correct performance of the service and verify the results;
- propose to the Secretary General the application of penalties and, if necessary, the termination of the contract.

Article 24 – Final provisions

The tender documents are composed of the Draft Service Contract provided by the Institute, this Tender Specification (Annex I) and the Contractor’s tender (Annex II), including the following documents:

- I A - Checklist
- II B - Self-certification form
- II C - Declaration on honour on exclusion criteria and absence of conflict of interests
- II D - Technical offer
- II E - Economic offer