



REPUBLIC OF THE PHILIPPINES  
**SOCIAL SECURITY SYSTEM**

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**Request for Expression of Interest**  
**REI-SSS-Consulting-2022-I-001**

**HIRING OF NINE (9) LOCAL FUND MANAGERS**  
**(Balanced Fund, Pure Equity Fund,**  
**and Pure Fixed Income Fund Mandates)**

1. The *Social Security System (SSS)*, through the Approved 2022 Indicative Annual Procurement Plan (IAPP) - MOOE with Code PAP 77 of the 2022 IAPP intends to apply the sum of P43,125,000.00 for three (3) years inclusive of value-added tax (VAT), and all other expenses incidental to the management of the fund, being the Approved Budget for the Contract (ABC) to payments under the contract for Hiring of Nine (9) Local Fund Managers (Balanced Fund, Pure Equity Fund, and Pure Fixed Income Fund Mandates) to manage an aggregate amount of P11.5B, details as follows:

**Balanced Fund Mandate**

Lot	Manage Fund	ABC per Year	Total ABC	Validity Period
I	P1,500,000,000.00	P1,875,000.00	P5,625,000.00	Three (3) Years
II	P1,500,000,000.00	P1,875,000.00	P5,625,000.00	Three (3) Years
III	P1,500,000,000.00	P1,875,000.00	P5,625,000.00	Three (3) Years
IV	P1,500,000,000.00	P1,875,000.00	P5,625,000.00	Three (3) Years
V	P1,500,000,000.00	P1,875,000.00	P5,625,000.00	Three (3) Years

**Pure Equity Fund Mandate**

Lot	Manage Fund	ABC per Year	Total ABC	Validity Period
VI	P1,000,000,000.00	P1,250,000.00	P3,750,000.00	Three (3) Years
VII	P1,000,000,000.00	P1,250,000.00	P3,750,000.00	Three (3) Years

**Pure Fixed Income Fund Mandate**

Lot	Manage Fund	ABC per Year	Total ABC	Validity Period
VIII	P1,000,000,000.00	P1,250,000.00	P3,750,000.00	Three (3) Years
IX	P1,000,000,000.00	P1,250,000.00	P3,750,000.00	Three (3) Years

A participating Local Fund Manager (LFM) must state which mandate it is bidding for – whether it is for the Balanced Fund Mandate and/or the Pure Equity Fund Mandate and/or the Pure Fixed Income Fund Mandate.

The LFM bidding for any of the above mandates shall be assumed to be bidding for all lots per mandate but can only win one lot per mandate.

Bid per mandate is capped at P5.625-M for Balanced Fund Mandate and aggregate of P3.75-M for Pure Equity and Pure Fixed Income Fund Mandate which is the ABC per mandate and the management fee per LFM for three (3) years inclusive of VAT, and all other expenses incidental to the management of the fund. The Financial Proposal component of the bid must be expressed as basis points capped at 12.5 basis points representing management fee based on quarterly average market value of the fund managed not to exceed P5.625-M for Balance Fund Mandate and P3.75-M for Pure Equity Fund Mandate and Pure Fixed Income Fund Mandate for three (3) years. Bids received in excess of the ABC shall be automatically rejected at the opening of the financial proposals.

2. The ***Social Security System*** now calls for the submission of eligibility documents for **Hiring of Nine (9) Local Fund Managers (Balanced Fund, Pure Equity Fund, and Pure Fixed Income Fund Mandates) who will manage any/combination/all of the following fund management mandates: a) balanced fund; b) pure equity fund; and c) pure fixed income fund. Management fee for each Local Fund Manager (LFM) is capped at ₱5.625-M for Balance Fund Mandate and ₱3.75-M for Pure Equity Fund Mandate and Pure Fixed Income Fund Mandate for three (3) years.**

Eligibility documents of interested consultants must be duly received by the **BAC Secretariat on or before 15 November 2021 (Monday) not later than 2:00 p.m.** at the BAC Bidding Room, 2nd Floor, SSS Main Building, East Avenue, Diliman, Quezon City. Applications for eligibility will be evaluated based on a non-discretionary “pass/fail” criterion.

**Only one company representative is allowed to attend the manual opening of Eligibility Documents. Other company representative may witness the opening of Eligibility Documents through Microsoft Teams. Kindly e-mail us on or before 12 November 2021, through e-mail address bac@sss.gov.ph, the following:**

- a. **Name of the representative and e-mail address; and**
  - b. **Technical and administrative queries.**
3. Interested bidders may obtain further information from the SSS and inspect the Bidding Documents at the address in the last item of the ITB from Monday to Friday, 8:00 a.m. to 5:00p.m.
  4. **A complete set of Bidding Documents may be acquired by interested bidders starting 06 November 2021** up to the scheduled submission & opening of eligibility documents from the address stated in the last item of the ITB.

Payment for the Bidding Documents shall be paid by the Shortlisted Consultant’s only, as follows:

Mandates	ABC per Mandate	Price of Bid Documents
Balanced Fund Mandate	₱28,125,000.00	₱15,000.00
Pure Equity Fund Mandate	₱ 7,500,000.00	₱ 8,000.00
Pure Fixed Income Fund Mandate	₱ 7,500,000.00	₱ 8,000.00

The mode of payment will be on a cash basis payable at the SSS Cash Department, Ground Floor, SSS Main Bldg., upon accomplishment of SSS Form R-6. The Bidding Documents shall be received personally by the prospective Bidder or his authorized representative.

It may also be downloaded free of charge from the website of the Philippine Government Electronic Procurement System (PhilGEPS) and the website of the SSS, provided that Bidders shall pay the applicable fee for the Bidding Documents not later than the submission of their bids.

5. The BAC shall draw up the short list of consultants from those who have submitted Expression of Interest, including the eligibility documents and have been determined as eligible in accordance with the provisions of Republic Act 9184 (RA 9184), otherwise known as the “Government Procurement Reform Act”, and its Revised Implementing Rules and Regulations (RIRR).

The short list shall consist of maximum of ten (10) prospective bidders for Balanced Fund Mandate and four (4) for both Pure Equity Fund Mandate and Pure Fixed Income Fund Mandate, who will be entitled to submit bids. The criteria and rating system for shortlisting are:

Criteria	Requirement	Maximum Points	Weight
A. Bidders Mandate as Fund Manager	<p>Bidder must be duly registered and authorized by the appropriate agency to perform the function of a fund manager for at least 5 years as of December 31, 2020.</p> <p>Bidder(s) must provide copy of licenses/certificates issued by the appropriate regulatory agency in the Philippines (e.g. BSP or SEC) that it is allowed to perform the functions of a fund manager or to engage in trust and other fiduciary business (indicating date when the fund management/trust operation started). The documents submitted should show that the bidder has been performing the fund management function for segregated fund for at least five (5) years as of December 31, 2020.</p> <p>Years <math>\geq</math> 15 : 15 points  10 <math>\geq</math> years &lt; 15 years: 12 points  5 <math>\geq</math> years &lt; 10 years : 10 points</p> <p>Bidder(s) with less than five (5) years performing the function of a fund manager as of December 31, 2020 shall be disqualified.</p>	15	15%
B. Qualification of personnel to be assigned to manage the SSS fund.	<p>Provide list of personnel to be assigned to SSS fund including investment officers, fund managers, risk officers, dealer, trader, research analysts and other officers or staff involved in managing the fund, except backroom personnel, and submit their curriculum vitae and copies of their current/previous licenses, certificates and awards issued by any private or government entity in relation to their fund management function. Bidder(s) who fail to submit required documents shall automatically get zero point on this criterion.</p> <p>Minimum of three (3) personnel (consisting of at least one (1) investment officer, one (1) fund manager and one (1) dealer/trader) with at least five (5) years individual work experience in managing investments and other investment related functions.</p> <p>Please refer to Item C #2 of attached Questionnaire</p>	15	15%
C. Account Loading Per Personnel (ALP)	<p>This is to give consideration to the bidder's capacity to manage the Bidder's AUM:</p> <p>a) No. of active, segregated accounts amounting to P3.0 Million and up as of December 31, 2020 (Please refer to Item D #1 Table on Total AUM for Segregated Accounts of attached Questionnaire)</p> <p>b) No. of key personnel in bidder's fund management team (Please refer to Item C #1 of attached Questionnaire)</p> <p>The Q will be scored as follows:</p> <p><math>Q = 10 \text{ points} * (\text{Lowest ALP} / \text{Actual ALP})</math></p> <p>Where <math>ALP = a/b</math>  Lowest ALP = lowest calculated <math>a/b</math></p>	10	10%

<p>D. Assets Under Management (AUM)</p>	<p>The AUM requirement are as follows:</p> <p>a) For Balanced Fund Mandate</p> <ul style="list-style-type: none"> <li>- Bidder(s) must have AUM of at least P10.0-B in balanced fund(s) as of end-December 2020.</li> </ul> <p>OR</p> <p>Bidder(s) must have AUM of at least P3.5-B in pure equity fund(s), and at least P6.5-B in pure fixed income fund(s) as of end-December 2020.</p> <p>b) For Pure Equity Fund Mandate</p> <ul style="list-style-type: none"> <li>- Bidder(s) must have AUM of at least P10.0-B in pure equity fund(s) as of end-December 2020;</li> </ul> <p>c) For Pure Fixed Income Fund Mandate</p> <ul style="list-style-type: none"> <li>- Bidder(s) must have AUM of at least P10.0-B in pure fixed income fund(s) as of end-December 2020. Pure fixed income fund(s) shall exclude money market investment(s).</li> </ul> <p>Bidder(s) who do not meet the required AUM per mandate shall be disqualified.</p> <p>Bidder(s) must accomplish the attached Questionnaire Item D #2 Table on AUM data per mandate.</p>	<p>30</p>	<p>30%</p>
<p>E. Performance Record (PR)</p>	<p>1. For All Managed Accounts;</p> <p>a) For Balanced Fund Mandate</p> <ul style="list-style-type: none"> <li>- Must show an average annual yield over the past five (5) years ending 2020 on its balanced fund(s) or a combination of its equity (35% weight) and fixed income fund (65% weight) of at least 3.13%.</li> </ul> <p>b) For Pure Equity Fund Mandate</p> <ul style="list-style-type: none"> <li>- Must show an average annual yield over the past five (5) years ending 2020 on its pure equity fund(s) of at least 0.50%.</li> </ul> <p>c) For Pure Fixed Income Fund Mandate</p> <ul style="list-style-type: none"> <li>- Must show an average annual yield over the past five (5) years ending 2020 on its pure fixed income fund(s) of at least 4.54%.</li> </ul> <p>Bidder(s) who meet the minimum required hurdle rate per mandate shall be scored as follows:</p> <p><math>Q = 15 \text{ points} * (\text{Lowest volatility of returns in the past five years "among all bidders"} / \text{Actual volatility of returns in the past 5 years "of the bidder being rated"})</math></p> <p>Bidder(s) who do not meet the required AUM shall be disqualified.</p> <p>Bidder(s) must accomplish the attached Questionnaire Item D.1 #2 Table on AUM data per mandate (column on ROI for the year).</p>	<p>15</p>	<p>15%</p>

	<p>2. For Institutional Accounts:</p> <p>a) For Balanced Fund Mandate – Must show an average annual yield over the past five (5) years ending 2020 on its balanced fund(s) or a combination of its equity (35% weight) and fixed income fund (65% weight) of at least 3.13%.</p> <p>b) For Pure Equity Fund Mandate – Must show an average annual yield over the past five (5) years ending 2020 on its pure equity fund(s) of at least 0.50%.</p> <p>c) For Pure Fixed Income Fund Mandate – Must show an average annual yield over the past five (5) years ending 2020 on its pure fixed income fund(s) of at least 4.54%.</p> <p>Bidder(s) who meet the minimum required hurdle rate per mandate shall be scored as follows:</p> <p>Q = 15 points * (Lowest volatility of returns in the past five years “<b>among all bidders</b>” / Actual volatility of returns in the past 5 years “<b>of the bidder being rated</b>”)</p> <p>Bidder(s) who do not meet the required AUM per mandate shall be disqualified.</p> <p>Bidder(s) must accomplish the attached Questionnaire Item D.2 #2 Table on AUM data per mandate (column on ROI for the year).</p>	15	15%
<b>TOTAL</b>		<b>100</b>	<b>100%</b>

6. Bidding will be conducted through open competitive bidding procedures using non-discretionary “pass/fail” criterion as specified in the IRR of RA 9184.
  - (i) Bidding is restricted to Filipino citizens/sole proprietorships, cooperatives, and partnerships or organizations with at least sixty percent (60%) interest or outstanding capital stock belonging to citizens of the Philippines.
7. The SSS shall evaluate bids using the Quality-Cost Based Evaluation/Selection (QCBE/QCBS). The weights to be allocated for the Technical and Financial Proposals are indicated in Clause 25.1, Section III, Bid Data Sheet, Part II of the Bidding Documents. The criteria and rating system for the evaluation of bids as indicated in the Instructions to Bidders are provided in Clause 25.3 and 26.2, Section III, Bid Data Sheet, Part II of the Bidding Documents.
8. The contract shall be completed within thirty-six (36) months or three (3) years from Award of Contract. Contract may be renewed/extended subject to performance evaluation and approval by the Social Security Commission (SSC) until the ABC is exhausted.
9. References to the dates and times shall be based on Philippine Standard time. Should any of the above dates fall on a holiday, the deadline shall be extended to the same time on the immediately succeeding business day in Quezon City.
10. The SSS reserves the right to reject any and all bids, declare a failure of bidding, or not award the contract at any time prior to contract award in accordance with Sections 35.6 and 41 of the 2016 revised IRR of RA No. 9184, without thereby incurring any liability to the affected bidder or bidders.

11. The SSS assumes no obligation to compensate or indemnify parties for any expense or loss that they may incur as a result of their participation in the procurement process, nor does SSS guarantees that an award will be made as a result of this invitation. Furthermore, the SSS reserves the right to waive any defects or formality in the responses to the eligibility requirements and to this invitation and reserves the right to accept the proposal most advantageous to the agency.

12. For further information, please refer to:

**Bids and Awards Committee**  
**The Secretariat**  
2nd Floor, SSS Main Building  
East Avenue, Diliman, Quezon City  
Tel # (632) 8922-1070, 8709-7198 local 5492 or 6382  
Email – bac@sss.gov.ph

13. Bidding Documents may be downloaded from PROCUREMENT tab at [www.sss.gov.ph](http://www.sss.gov.ph) starting **06 November 2021**.

  
CS211105604  
**THE CHAIRPERSON**  
**BIDS & AWARDS COMMITTEE**  


ref.: rei-consulting-sss-2022-I-001-Hiring of LFM