



**UPU** | UNIVERSAL  
POSTAL  
UNION

## **Call for tenders**

### **Quality of Service Fund investment management**

8 January 2024

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## **1 Introduction**

### *1.1 Profile of the UPU*

The Universal Postal Union (UPU) was founded in 1874 in Berne, Switzerland, with the main goals of establishing a single postal territory for the reciprocal exchange of letter-post items and adopting common principles for the international postal service in a non-discriminatory manner. Currently comprising 192 member countries, the UPU became a specialized agency of the United Nations in 1948.

The main mission of the UPU is to stimulate the lasting development of efficient and accessible universal postal services of quality, in order to facilitate communication between the inhabitants of the world. It does this by guaranteeing the free circulation of items over a single postal territory composed of interconnected networks, encouraging the adoption of fair common standards and the use of technology, ensuring cooperation and interaction among stakeholders, promoting effective technical cooperation, and ensuring the satisfaction of customers' changing needs. The UPU is thus expected to play a major role in the continued revitalization of postal services.

Furthermore, the UPU facilitates the development of worldwide postal services by providing an information and communication technology framework that allows the designated operators<sup>1</sup> of UPU member countries to concentrate on the delivery of postal services to their customers. In this context, the UPU provides a global network with value-added services, as well as computerized applications for the management of international mail and international postal money orders.

## **2 Terms and conditions**

Unless otherwise indicated in this call for tenders, the term "Bidder" shall refer to any person, company or legal entity submitting a proposal in response to this call for tenders. The term "Vendor" shall refer to any selected bidder.

### *2.1 Confidentiality*

Bidders shall treat in strict confidence all information contained in this call for tenders and its attached documents that is not already publicly known or generally accessible, particularly any documentation marked as confidential and distributed by the UPU to Bidders as additional confidential tender documentation. Bidders shall prevent the disclosure or distribution of all such information to third parties and other entities and persons not expressly authorized herein. In case of doubt, these confidentiality provisions shall nevertheless be observed. All Bidders are obliged to observe these confidentiality provisions before, during and after the tender process. These provisions shall not affect the legal obligations of the UPU and Bidders to disclose information.

Bidders shall not use such information for any purposes other than those associated with this call for tenders. The call for tenders and all attached documents may be distributed or made available only to persons directly involved in the tender process on behalf of Bidders. If external agents or subcontractors are involved in the preparation of the tender documents, this must be indicated and their names provided.

Bidders shall assume full responsibility for the compliance of their agents, consultants, employees and subcontractors, as well as any third parties involved on their behalf in this tender process, with these rules of confidentiality, and shall be liable for any damages resulting from misconduct or unauthorized disclosure.

If a Bidder violates the confidentiality provisions contained herein, it shall be liable to pay a penalty to the UPU unless it can prove that no fault is attributable to it. This penalty shall not exceed 50,000 CHF per infringement. Payment of any such penalties shall not release Bidders from their obligation to observe these confidentiality requirements.

<sup>1</sup> In accordance with article 2.1.6 of the UPU Constitution, a designated operator is any governmental or non-governmental entity officially designated by the member country to operate postal services and to fulfil the related obligations arising out of the Acts of the Union on its territory.

Bidders wishing to submit a proposal in response to this call for tenders must contact the person(s) specified in section 2.15 below and may, if necessary, request additional information from the UPU in relation to this call for tenders.

Without prejudice to the confidentiality provisions set out above, Bidders agree that the receipt of any such information may be subject to the prior signature of a non-disclosure agreement between the Bidder and the UPU, under conditions to be determined and communicated by the latter.

## *2.2 Legal status of the Vendor*

The Vendor shall be regarded as having, in law, the legal status of independent contractor. The Vendor and its agents, consultants, employees and subcontractors (as authorized by the UPU) shall in no way be regarded as employees of the UPU. Such agents, consultants, employees and subcontractors of the Vendor shall not be entitled to any employment benefits from the UPU. The Vendor alone shall be responsible for due payment of all compensation owed to such agents, consultants, employees and subcontractors, including payment of any employment taxes, benefits, compensation and insurance. The Vendor shall represent and warrant that it will comply with all laws, rules and regulations required by the relevant authorities, including the appropriate withholding, reporting and payment of all necessary taxes.

The Vendor shall be liable for all work performed, including any acts or omissions, by its agents, consultants, employees and subcontractors.

## *2.3 Scope of the call for tenders*

This call for tenders concerns the mandate for investment management for the Quality of Service Fund (QSF) for a period of four years, from 2025 to 2028.

## *2.4 Background*

The sole purpose of the QSF is to improve quality of service in the postal supply chain, in particular through the development of inbound and outbound mail flows, thus rendering the global postal network and international flows faster and more reliable and secure. The QSF finances numerous national, regional and global projects. UPU member countries primarily have recourse to the QSF for the purchase of IT hardware, equipment and vehicles with a view to improving the processing and delivery of mail.

The QSF is managed by a Board elected by the Postal Operations Council. The QSF Board is responsible for the administration and management of the QSF funds.

The Board is responsible for developing the investment strategy on the basis of analysis of the QSF's financial and economic situation. The Board's functions include, in particular:

- Defining the allocation of investments on the basis of the security and liquidity of funds;
- Ensuring, insofar as possible, that the return on investment exceeds the QSF's operating expenditure;
- Ensuring the stability of the level of return and the security of investments, rather than seeking sporadic but potentially risky gains;
- Maintaining a level of liquidity that is sufficient to carry out and fund QSF projects;
- Monitoring transactions and overseeing the securities portfolio.

In accordance with articles 5.2 and 14.3 of the QSF Financial Management Manual, the Board may recommend to the QSF Manager (FAQS Finance) that investment tasks be delegated to an external entity and thus that an external service provider be engaged for fund management.

The task of investing QSF funds has therefore been entrusted to an external entity since the creation of the Fund. The investment management mandate is for four years and is subject to a call for tenders at the end of each term.

## 2.5 Objectives

The objectives of these services are as follows:

- Ensure the best possible yield while safeguarding the capital until the end of the mandate;
- Ensure a certain level of liquidity throughout the mandate;
- Ensure the security of investments.

## 2.6 Use of subcontractors

The Vendor shall not assign, sublicense, subcontract, pledge or otherwise transfer or dispose of its tender, or any of the rights and obligations contained therein or in an associated contract with the UPU, without the prior written consent of the UPU.

The approval by the UPU of the engagement of any subcontractor shall not relieve the Vendor of any of its obligations or responsibilities concerning the work performed by such subcontractors.

## 2.7 Use of the emblem, name and initials of the UPU

Bidders shall not advertise or otherwise make public the fact that they intend to provide, are providing or have provided services to the UPU, or use the emblem, name or initials of the UPU in connection with their business for purposes of commercial advantage or goodwill, without prior and explicit permission from the UPU. Bidders shall take all reasonable measures to ensure compliance with this provision by their agents, consultants, employees and subcontractors.

## 2.8 Collusive bidding, anti-competitive practices and any other similar conduct

Without prejudice to the provisions in sections 3 and 4 below, Bidders (including their agents, consultants, employees and subcontractors) shall not engage in any collusive bidding, anti-competitive practices or any other similar conduct in relation to:

- the preparation and submission of tenders;
- the clarification of tenders;
- the conduct and content of any negotiations, including final contract negotiations.

For the purposes of this call for tenders, collusive bidding, anti-competitive practices and any other similar conduct may include the disclosure to, or exchange or clarification with, any other Bidder of information (in any form), whether or not such information is confidential to the UPU or to any other Bidder, in order to alter the results of the call for tenders in such a way that would lead to an outcome other than that which would have been obtained through a competitive process. In addition to any other remedies available to it, the UPU may, at its sole discretion, immediately reject any tender submitted by a Bidder that, in the UPU's opinion, has engaged in any collusive bidding, anti-competitive practices or any other similar conduct with any other Bidder in relation to the preparation or submission of tenders, whether with respect to this call for tenders or other procurement processes conducted by the UPU.

## 2.9 Intellectual property

This call for tenders and all its attached documents, including any content, forms, statements, concepts, projects and procedures explicitly or implicitly forming part of the call for tenders, constitute the exclusive intellectual property of the UPU. This call for tenders is communicated to the various Bidders with the sole purpose of assisting them in the preparation of their respective tenders. Any hard copies of this call for tenders shall be destroyed or returned to the UPU by unsuccessful Bidders at the request of the UPU.

## 2.10 Privileges and immunities

Nothing in or relating to this call for tenders, the activities described herein or any potential agreements related thereto shall be deemed as a waiver, expressed or implied, of any of the privileges, immunities and facilities that the UPU enjoys as a specialized agency of the United Nations system, pursuant to the Swiss Host State Act and the Agreement on Privileges and Immunities of the United Nations (on Swiss territory), the Convention on the Privileges and Immunities of the Specialized Agencies (outside Switzerland), and any other conventions

and laws recognizing and/or granting such privileges, immunities and facilities to the UPU and its officials (such as the International Organizations Immunities Act in the case of the United States of America).

Accordingly, the Vendor shall expressly acknowledge and agree that the property and assets of the UPU, including any archives, data, documents and funds belonging to the UPU or held by it (including, without limitation, the data/hosting environments and servers pertaining to or associated with the provision of the services, as well as any data or documents in any form belonging to or held by the UPU on behalf of UPU member countries and their designated operators), are inviolable and shall be immune from search, requisition, confiscation, expropriation and any other form of interference, whether through executive, administrative, judicial or legislative action. The Vendor shall immediately contact the UPU in the event of any attempt to violate or any violation of the UPU's privileges and immunities, and shall take all reasonable measures to prevent such violations.

In the light of the UPU's status as a specialized agency of the United Nations (and without prejudice to the observance, by the UPU, of any sanctions established by the United Nations Security Council), Bidders shall expressly certify their legal and operational willingness and ability to provide the services on a non-discriminatory basis for the benefit of all eligible entities established and/or situated in the territory of any UPU member country, irrespective of the existence of diplomatic relations between a Bidder's country of incorporation and/or operation and any UPU member country (including its designated operators).

#### *2.11 Tax exemption*

Pursuant to article III, section 9, of the Convention on the Privileges and Immunities of the Specialized Agencies, the UPU is exempt from all direct taxes and from customs restrictions, duties and charges of a similar nature in respect of articles imported or exported for its official use.

Furthermore, as an intergovernmental organization and a specialized agency of the United Nations, the UPU is exempt from value-added tax (VAT) in Switzerland (OLTVA, article 22; *Instructions 2001 sur la TVA*, articles 574, 816 and others), as well as in other countries. Therefore, all prices shall be indicated in "net" form, without VAT or similar taxes.

#### *2.12 Language*

Bidders must submit all tender documents entirely in English or French.

#### *2.13 Signature*

Tender documents shall be signed by a representative (or representatives) duly designated and authorized to act on the Bidder's behalf and with the authority to legally bind the Bidder and accept the terms and conditions of this call for tenders.

#### *2.14 Participation notification*

Not applicable.

#### *2.15 Contact persons*

Secretary of the Tenders and Procurements Committee  
Universal Postal Union  
International Bureau  
Weltpoststrasse 4  
3015 BERNE  
SWITZERLAND

E-mail: [caa@upu.int](mailto:caa@upu.int)

#### *2.16 Further inquiries and questions*

Bidders must send any questions regarding the content of this call for tenders or any requests for clarification in writing to the contact person(s) listed in section 2.15 by 31 January 2024.

Answers to questions submitted by Bidders, as well as any additional information and updates relevant to this call for tenders, shall be published on the UPU website at [www.upu.int/en/Universal-Postal-Union/Procurement](http://www.upu.int/en/Universal-Postal-Union/Procurement).

#### *2.17 Delivery of tenders and deadline*

All tenders must be submitted to the UPU by e-mail only at [RFP-2024-001@upu.int](mailto:RFP-2024-001@upu.int) with “RFP-2024-001 – Quality of Service Fund investment management” as the subject line.

The deadline for the submission of tenders is 16 February 2024 at 17.00 CET.

The UPU shall not take into consideration any tenders received after this date and time. Furthermore, it shall not accept any tenders sent to any e-mail address other than that specified above or sent by any other means.

There shall be no charge to the UPU for the preparation and submission of tender documents by Bidders.

#### *2.18 Evaluation procedure*

The objective of the UPU’s evaluation process is to ensure the selection of a qualified, reliable and experienced Vendor capable of providing the specialized services and fulfilling the objectives set out in this call for tenders.

The UPU shall conduct its evaluation procedure with a view to determining as objectively as possible the tender that best meets its specific requirements. All tenders submitted shall be subject to an in-depth assessment, at the UPU’s sole discretion, in order to enable the UPU to engage the most appropriate service provider. Due consideration will be given to Bidders’ specific backgrounds, qualifications and experience in relation to the required services.

The prescribed structure of tenders, as set out in section 3, is mandatory for all Bidders. The UPU shall not take into consideration any tenders that do not fulfil the mandatory criteria.

Tenders received by the UPU must address all aspects of this call for tenders, and Bidders should identify any aspects where they envisage modifications being necessary or consider elements to be missing.

Tenders shall be evaluated on the basis of the following criteria, in descending order of importance:

- Quality of the tender (according to the specifications herein);
- Knowledge and experience of the Bidder and its team and/or consultant(s), as applicable to the subject matter;
- Price.

The winning tender will be selected based on a non-exhaustive list of criteria as set out in section 4. Bidders should therefore consider how their tender corresponds with the criteria listed and clearly indicate this in their response document.

The deliberations of the UPU Tenders and Procurements Committee (TPC) are strictly confidential. The TPC shall submit a report on its evaluation of the tenders received to the Director General of the UPU International Bureau, together with its final recommendation, for his assessment and authorization.

The UPU is not bound to accept the lowest tender and reserves the right to accept all or part of a tender. In awarding the contract, account will be taken of both the overall costs of the work and of the nature and quality of the services to be provided. The UPU reserves the right to negotiate prices and terms and conditions of contract after receipt of tenders.

Bidders will be informed of the outcome of their tender as soon as possible after the UPU has made its final selection.

#### *2.19 Modification, suspension or cancellation of the call for tenders*

The UPU reserves the right, at its sole discretion and at any time before the conclusion of the tender process (i.e. at any time prior to the signature of the relevant contract with the Vendor), to modify, suspend or cancel all or part of this call for tenders.

## 2.20 Tentative schedule

Publication of call for tenders	8 January 2024
Deadline for submission of queries	31 January 2024
Deadline for provision of responses to queries	9 February 2024
<b>Deadline for submission of tenders to the UPU</b>	<b>16 February 2024 at 17.00 CET</b>
Estimated start of engagement	1 January 2025

### 3 Tender structure – Response format

All information provided by Bidders must be fully compliant with the terms and conditions set out in section 2 above, as well as the provisions of this section and the service requirements listed in section 4 below.

Moreover, the requirements stipulated in this call for tenders must be met in their entirety, according to the structure defined below and following the sequence and numbering provided in this section. The UPU shall evaluate all Bidder responses in accordance with the structure defined herein and shall have the right to reject any tenders that do not fulfil the requirements of this call for tenders.

For each of the requirements listed in this call for tenders, Bidders shall answer with one of the following statements:

- Covered;
- Covered with limitations (explaining relevant limitations);
- Not covered.

Where the answer is “covered” or “covered with limitations”, Bidders shall provide further details and/or examples of existing implementations of their solution in the field (existing use cases).

#### 3.1 Cover letter

Bidders shall submit a cover letter including:

- A statement that the Bidder has read, understands and accepts all provisions of this call for tenders;
- The Bidder’s name, telephone number, postal address and e-mail address, and the name(s) of its representative(s);
- A statement that the Bidder’s tender documents are valid until the associated contract is concluded.

The cover letter shall be signed by a representative (or representatives) duly designated and authorized to act on the Bidder’s behalf and with the authority to legally bind the Bidder and accept the terms and conditions of this call for tenders, and shall also include a confirmation of such authorization by the Bidder.

#### 3.2 Executive summary

Bidders shall provide an executive summary highlighting the most important aspects of their tender.

#### 3.3 Bidder information

Bidders must provide the following information:

- Company structure, locations/subsidiaries;
- Financial data (turnover, profit, etc.);
- Partners and equity holders of the company;
- Company history;
- Market position and share in relevant markets.



### 3.4 *Functional proposal*

Bidders shall submit a functional proposal addressing all of the requirements set out in section 4 (Service requirements). This proposal should outline the methodology, processes and timelines, as appropriate, that Bidders intend to implement in order to fulfil the objectives of this call for tenders.

Bidders must submit a proposal comprising the following:

- A brief note setting out the Bidder's understanding of the mandate (including information about advisory functions);
- A work plan with a precise timetable for the planned tasks, on the basis of the specifications herein;
- Information on the investment manager's qualities and capabilities according to the conditions set out in section 4;
- The names of team members and of the person responsible for the mandate – for each team member, their experience in carrying out similar work must be described;
- A presentation of the quarterly and annual reports to be submitted by the investment manager to the QSF Board.

### 3.5 *Pricing structure*

Bidders shall provide a detailed pricing structure for the portfolio management fees, including all commissions, custody account and other charges.

In the interest of transparency, it is essential that information on the weighting of each component of the integrated rate be provided, i.e. advisors' fees, asset managers' fees and fees for administrative and accounting services.

Bidders shall not include VAT in their pricing structure (see section 2.11 above). All pricing information shall be set out exclusively in United States dollars (USD).

### 3.6 *Delivery and payment schedule*

The target dates for provision of the services are as follows:

Start date: 1 January 2025

End date: 31 December 2028

The delivery and payment schedules should be proposed by Bidders in their pricing structures, and must be agreed with the UPU.

The services provided by the Vendor shall be invoiced in arrears on a monthly basis. The UPU will make payment within 30 business days of receipt of invoice, subject to its acceptance of the services provided and the Vendor's transmission to the UPU of any and all documentation clearly detailing the services to which the invoice pertains (in a format to be established by the UPU).

### 3.7 *UPU General Terms and Conditions*

Bidders shall include in their tender a statement of acceptance of the UPU General Terms and Conditions for the Provision of Services, attached hereto for reference.

The final terms of any contract arising from this call for tenders shall be defined by the UPU and accepted by the Vendor. Contract negotiations shall commence only after the final selection of a Vendor by the UPU.

## 4 Service requirements

### 4.1 Description of the services

The Vendor will be expected to provide the following services:

#### 4.1.1 Advisory functions

- Provide proposals and advice to define the investment strategy for QSF assets;
- Provide proposals and advice based on an economic and financial scenario designed to enable the QSF Board to decide on the tactical allocation of investments for the coming quarter, ensuring the best possible yield while safeguarding the necessary liquidity of the QSF and the security of investments. To this end, the investment manager must reassess the prospects of fixed-yield investments as well as stock market investments. It will also give its views on foreign exchange risks;
- Provide proposals for investments or products guaranteeing at least the initial capital at maturity.
- In the event that the basic principles of the investment strategy are jeopardized by serious political or economic events, the investment manager shall immediately contact the Board in order to decide on any changes required to the allocation of funds.

#### 4.1.2 Management of funds

- The investment manager undertakes to manage the QSF funds in accordance with the defined investment principles and strategies and any instructions that the Board may issue;
- The investment manager is responsible for acting from day to day in the best interests of the QSF, while faithfully following the investment principles and strategies defined in the Financial Management Manual and any instructions that the Board may issue.

#### 4.1.3 Information and communication

- Perform quarterly and annual assessments of the status of the securities portfolio in terms of stock market value, accrued interest and profit or loss;
- Prepare a quarterly summary of the transactions to which federal stamp duty, VAT or withholding tax has been applied, so that the QSF can recover the amounts concerned;
- Present quarterly reports to the Board members in Berne, informing them of market developments and the transactions made.

### 4.2 Bidder requirements

Bidders shall be expected to meet the following requirements:

- The amount of the funds to be managed will vary between 50 and 70 million USD each year throughout the duration of the mandate. It is to be expected, however, that the amount will be lower at the end of the mandate owing to cash needs for the financing of projects. However, given the nature of the QSF, the investments must be selected so as to guarantee full reimbursement of the assets available to UPU member countries at the end of the mandate;
- The maturity of the investments must be phased over the four-year period in order to regularly free up liquid assets. Cash needs will be communicated to the investment manager every six months to enable appropriate management of the funds;
- The investment manager must take over the management of the portfolio investments made by the previous investment manager;
- In principle, investments shall be denominated only in US dollars, euros or Swiss francs;
- The investment manager is required to communicate to the Board the investment strategy that it intends to implement for each coming year.

Bidders are expected to:

- Have prior experience of the work described in this document;
- Have the technical infrastructure needed for optimum management;
- Have, within its workforce, executives and staff with the necessary experience and knowledge to manage and fulfil this type of mandate.

Bidders shall demonstrate a record of satisfactory performance in similar activities (i.e. reference letters and/or work completion certificates). The business transactions and activities carried out by the Bidder must be compliant with the mandates and principles of the UPU.

#### *4.3 Duration of services*

The services are scheduled to commence in January 2025 for a total contract term of four years.

#### *4.4 Location of the services*

The Vendor shall work from its own premises.

The Vendor or its assigned consultant shall liaise and work closely with the UPU (as instructed by the latter) and may be required from time to time to carry out certain tasks from the headquarters of the UPU in Berne, Switzerland.

#### *4.5 Reporting*

The Vendor must provide quarterly reports to the QSF Board. These reports must be presented in writing and orally, as indicated in section 4.1 above.

#### *4.6 Other requirements*

Bidders shall describe any relevant procedures for ensuring the continuity of the services provided and for appropriate backup and retraining, as well as any relevant procedures pertaining to project management and communication.

Bidders shall also confirm that their tender covers all costs associated with the provision of the services referred to herein.

#### *4.7 Additional information*

Bidders may include any additional information that they deem necessary or relevant in order for the UPU to gain a clear and detailed understanding of the services being offered.