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Tender

Investment Management Services

South Yorkshire Pensions Authority

F02: Contract notice

Notice identifier: 2025/S 000-006049

Procurement identifier (OCID): ocds-h6vhtk-04e498

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Section I: Contracting authority

I.1) Name and addresses

South Yorkshire Pensions Authority

Oakwell House, 2 Beavor Court, Pontefract Road

Barnsley, South Yorkshire

S71 1HG

Contact

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Email

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Country

United Kingdom

Region code

UKE3 - South Yorkshire

National registration number

518243064

Internet address(es)

Main address

<https://www.sypensions.org.uk/>

Buyer's address

<https://uk.eu-supply.com/ctm/Company/CompanyInformation/Index/104506>

I.3) Communication

The procurement documents are available for unrestricted and full direct access, free of charge, at

https://uk.eu-supply.com/app/rfq/rwlenrance_s.asp?PID=90654&B=SYPA

Additional information can be obtained from the above-mentioned address

Tenders or requests to participate must be submitted electronically via

https://uk.eu-supply.com/app/rfq/rwlenrance_s.asp?PID=90654&B=SYPA

Tenders or requests to participate must be submitted to the above-mentioned address

I.4) Type of the contracting authority

Regional or local authority

I.5) Main activity

General public services

Section II: Object

II.1) Scope of the procurement

II.1.1) Title

Investment Management Services

Reference number

Inv20250220

II.1.2) Main CPV code

- 66100000 - Banking and investment services

II.1.3) Type of contract

Services

II.1.4) Short description

South Yorkshire Pensions Authority (SYPA) wishes to appoint an investment manager (authorised by the Financial Conduct Authority) to work in partnership with SYPA to deliver SYPA's planned investments into domestic housing within SYPA's Place Based Impact allocation. SYPA has allocated an initial sum of c.£75m to support the direct development of affordable, single-family housing in the geographical region of South Yorkshire through a build to rent model, to provide SYPA with sustainable long-term income and capital growth.

SYPA will appoint the investment manager to set up a closed-ended, private partnership vehicle where SYPA will invest as a Limited Partner. The investment manager will take the role of General Partner of the partnership and manage the investment opportunities, development and required ongoing service delivery on behalf of SYPA.

II.1.5) Estimated total value

Value excluding VAT: £16,000,000

II.1.6) Information about lots

This contract is divided into lots: No

II.2) Description

II.2.2) Additional CPV code(s)

- 66131100 - Pension investment services
- 66140000 - Portfolio management services
- 66141000 - Pension fund management services

II.2.3) Place of performance

NUTS codes

- UK - United Kingdom

Main site or place of performance

United Kingdom

II.2.4) Description of the procurement

SYPA is seeking to appoint an investment manager (authorised by the Financial Conduct Authority) to work in partnership with SYPA to deliver SYPA's planned investments into domestic housing within SYPA's Place Based Impact allocation. SYPA has allocated an initial c.£75m of un-levered equity to this strategy with the objective to support the direct development of affordable, single-family housing in the geographical region of South Yorkshire through a build to rent model.

SYPA aims to facilitate the building of high-quality and sustainable (as measured by an Energy Performance Certificate of A-C) private rental sector housing, with a proportion of units available to eligible tenants at a Discount to Market Rent. SYPA understands that affordability is a key concern for many, and SYPA intends to work with the investment manager to define the appropriate measures of affordability and the achievable Discount to Market Rent across the South Yorkshire region. Through this planned investment, SYPA will aim for a geographical spread of new housing across the four South Yorkshire districts of Barnsley, Doncaster, Rotherham and Sheffield.

The partnership's objective will be to provide SYPA with sustainable long-term income and capital growth, secured against a portfolio of primarily new built private rental sector units in South Yorkshire. Once operationally stable, SYPA aims for the investment to deliver an

income yield of 3-4% per annum and a target annual return of 6%. SYPA does not intend to become a registered social housing provider and/or landlord. The total SYPA allocation to this partnership is expected to grow as it is rebalanced in line with the overall pension fund as additional capital will be allocated to the partnership for investment to maintain its target weight within the overall strategic asset allocation. The value of the investment will be a minimum of £75m and could increase to up to £95m, as SYPA aims to maintain a 0.75% weighting of total assets to this mandate.

SYPA does not intend the partnership vehicle to take on planning risk but intends to facilitate the development of housing through investing in a combination of forward funding or forward purchases and / or standing investments. The investment manager will oversee the facilities management and rent collection from these properties where SYPA expects to receive quarterly rental income from the properties, whilst providing institutional funding to meet the affordable housing needs within the South Yorkshire area. The sale of assets will not be prohibited, should the manager deem this to be in the interest of the partnership, however this is not the primary objective.

Further details are set out in the procurement documents.

II.2.5) Award criteria

Price is not the only award criterion and all criteria are stated only in the procurement documents

II.2.6) Estimated value

Value excluding VAT: £16,000,000

II.2.7) Duration of the contract, framework agreement or dynamic purchasing system

Duration in months

168

This contract is subject to renewal

Yes

Description of renewals

The partnership vehicle will operate for an initial 10 years extendable by SYPA by two 2-year periods. SYPA anticipates that the duration of the Investment Manager's services contract will align with the duration of the partnership and therefore the contract will have an initial

period of 10 years plus two 2-year extension periods (up to a maximum total duration of 14 years).

II.2.9) Information about the limits on the number of candidates to be invited

Envisaged number of candidates: 3

II.2.10) Information about variants

Variants will be accepted: No

II.2.11) Information about options

Options: No

II.2.13) Information about European Union Funds

The procurement is related to a project and/or programme financed by European Union funds: No

Section III. Legal, economic, financial and technical information

III.1) Conditions for participation

III.1.1) Suitability to pursue the professional activity, including requirements relating to enrolment on professional or trade registers

List and brief description of conditions

Candidates will be assessed in accordance with the Public Contract Regulations 2015, on the basis of information provided in response to the Selection Questionnaire.

III.1.2) Economic and financial standing

Selection criteria as stated in the procurement documents

III.1.3) Technical and professional ability

Selection criteria as stated in the procurement documents

III.2) Conditions related to the contract

III.2.1) Information about a particular profession

Execution of the service is reserved to a particular profession

Reference to the relevant law, regulation or administrative provision

The contract requires the investment manager to be authorised by the Financial Conduct Authority, and the manager maintain this authorisation throughout the contract.

III.2.2) Contract performance conditions

Please refer to the procurement documents.

Section IV. Procedure

IV.1) Description

IV.1.1) Type of procedure

Competitive procedure with negotiation

IV.1.8) Information about the Government Procurement Agreement (GPA)

The procurement is covered by the Government Procurement Agreement: No

IV.2) Administrative information

IV.2.2) Time limit for receipt of tenders or requests to participate

Date

28 March 2025

Local time

5:00pm

IV.2.3) Estimated date of dispatch of invitations to tender or to participate to selected candidates

14 April 2025

IV.2.4) Languages in which tenders or requests to participate may be submitted

English

Section VI. Complementary information

VI.1) Information about recurrence

This is a recurrent procurement: No

VI.3) Additional information

SYPA is conducting this procurement in accordance with the Public Contracts Regulations 2015 as amended using the competitive negotiation procedure as set out in Regulation 29. Interested organisations are required to complete and submit a response to the Selection Questionnaire (SQ) by the deadline in Section IV.2.2 in order to request to participate in this contract opportunity. Please see the SQ provided as part of the procurement documents for further details.

Following assessment of SQ submissions, SYPA intends to shortlist 3 candidates to be invited to submit initial tenders, engage in negotiation with SYPA and submit a final tender. The draft invitation to submit initial tenders is being issued with the contract notice for information only and contains information on the anticipated procurement process and draft contract terms.

Access to the procurement documents including instructions on how to complete and submit a response to the SQ is via the link in Section I.3.

SYPA reserves the right to vary, amend and update any aspects of the procurement documents. The final details and versions of the procurement documents will be confirmed to applicants successful in being selected to participate in the relevant tender stages of the procurement procedure.

Candidates are solely responsible for their costs and expenses incurred in connection with this procurement. Under no circumstances (including circumstances where SYPA cancels or varies the procurement) will SYPA or any of its advisers be liable for any costs or expenses borne or incurred by the candidates or their advisers.

It is considered by SYPA that the estimated total contract value is within the range of £8,000,000 to £16,000,000, assuming that the contract is extended up to the maximum duration of 14 years, but this will depend on the volume of activities undertaken by the appointed investment manager. The figure inserted in Section II.1.5 is the maximum figure in this estimated range. This does not represent a promise or any guarantee to those amounts.

VI.4) Procedures for review

VI.4.1) Review body

High Court

Royal Courts of Justice London

London

Country

United Kingdom