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Contract

## **ACCESS Pool Investment Manager for Real Estate - Global**

HAMPSHIRE COUNTY COUNCIL

Hertfordshire County Council

Isle of Wight Council

Kent County Council

Norfolk County Council

Suffolk County Council

West Northamptonshire Council

West Sussex County Council

East Sussex County Council

Cambridge City Council

Essex County Council

F03: Contract award notice

Notice identifier: 2023/S 000-007055

Procurement identifier (OCID): ocids-h6vhtk-035fc2

Published 10 March 2023, 1:00pm

## **Section I: Contracting authority**

### **I.1) Name and addresses**

HAMPSHIRE COUNTY COUNCIL

The Castle

WINCHESTER

SO238ZB

### **Contact**

Samantha Pullinger

**Email**

[samantha.pullinger@hants.gov.uk](mailto:samantha.pullinger@hants.gov.uk)

**Telephone**

+44 1962847826-847826

**Country**

United Kingdom

**Region code**

UKJ36 - Central Hampshire

**Justification for not providing organisation identifier**

Not on any register

**Internet address(es)**

Main address

[www.hants.gov.uk](http://www.hants.gov.uk)

**I.1) Name and addresses**

Hertfordshire County Council

Hertford

**Email**

[contact@hertfordshire.gov.uk](mailto:contact@hertfordshire.gov.uk)

**Country**

United Kingdom

**Region code**

UKH2 - Bedfordshire and Hertfordshire

**Justification for not providing organisation identifier**

Not on any register

**Internet address(es)**

Main address

[www.hertfordshire.gov.uk](http://www.hertfordshire.gov.uk)

**I.1) Name and addresses**

Isle of Wight Council

Newport

**Email**

[customer.services@iow.gov.uk](mailto:customer.services@iow.gov.uk)

**Country**

United Kingdom

**Region code**

UKJ34 - Isle of Wight

**Justification for not providing organisation identifier**

Not on any register

**Internet address(es)**

Main address

<https://www.iow.gov.uk/>

**I.1) Name and addresses**

Kent County Council

Maidstone

**Email**

[county.hall@kent.gov.uk](mailto:county.hall@kent.gov.uk)

**Country**

United Kingdom

**Region code**

UKJ4 - Kent

**Justification for not providing organisation identifier**

Not on any register

**Internet address(es)**

Main address

<https://www.kent.gov.uk/>

**I.1) Name and addresses**

Norfolk County Council

Norwich

**Email**

[DPCST@norfolk.gov.uk](mailto:DPCST@norfolk.gov.uk)

**Country**

United Kingdom

**Region code**

UKH1 - East Anglia

**Justification for not providing organisation identifier**

Not on any register

**Internet address(es)**

Main address

<https://www.norfolk.gov.uk/>

### **I.1) Name and addresses**

Suffolk County Council

Ipswich

#### **Email**

[customer.services@suffolk.gov.uk](mailto:customer.services@suffolk.gov.uk)

#### **Country**

United Kingdom

#### **Region code**

UKH14 - Suffolk

#### **Justification for not providing organisation identifier**

Not on any register

#### **Internet address(es)**

Main address

<https://www.suffolk.gov.uk/>

### **I.1) Name and addresses**

West Northamptonshire Council

Northampton

#### **Email**

[enquiries.nbc@westnorthants.gov.uk](mailto:enquiries.nbc@westnorthants.gov.uk)

#### **Country**

United Kingdom

**Region code**

UKF24 - West Northamptonshire

**Justification for not providing organisation identifier**

Not on any register

**Internet address(es)**

Main address

<https://www.westnorthants.gov.uk/>

**I.1) Name and addresses**

West Sussex County Council

Chichester

**Email**

[procurement@westsussex.gov.uk](mailto:procurement@westsussex.gov.uk)

**Country**

United Kingdom

**Region code**

UKJ2 - Surrey, East and West Sussex

**Justification for not providing organisation identifier**

Not on any register

**Internet address(es)**

Main address

<https://www.westsussex.gov.uk/>

**I.1) Name and addresses**

East Sussex County Council

Lewes

**Email**

[purchasing.queries@eastsussex.gov.uk](mailto:purchasing.queries@eastsussex.gov.uk)

**Country**

United Kingdom

**Region code**

UKJ22 - East Sussex CC

**Justification for not providing organisation identifier**

Not on any register

**Internet address(es)**

Main address

<https://www.eastsussex.gov.uk/>

**I.1) Name and addresses**

Cambridge City Council

Cambridge

**Email**

[enquiries@cambridge.gov.uk](mailto:enquiries@cambridge.gov.uk)

**Country**

United Kingdom

**Region code**

UKH1 - East Anglia

**Justification for not providing organisation identifier**

Not on any register

**Internet address(es)**

Main address

<https://www.cambridge.gov.uk/>

**I.1) Name and addresses**

Essex County Council

Chelmsford

**Email**

[procurement.team@essex.gov.uk](mailto:procurement.team@essex.gov.uk)

**Country**

United Kingdom

**Region code**

UKH3 - Essex

**Justification for not providing organisation identifier**

Not on any register

**Internet address(es)**

Main address

<https://www.essex.gov.uk/>

**I.2) Information about joint procurement**

The contract involves joint procurement

**I.4) Type of the contracting authority**

Regional or local authority

**I.5) Main activity**

General public services

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## **Section II: Object**

### **II.1) Scope of the procurement**

#### **II.1.1) Title**

ACCESS Pool Investment Manager for Real Estate - Global

Reference number

EX20230

#### **II.1.2) Main CPV code**

- 66131100 - Pension investment services

#### **II.1.3) Type of contract**

Services

#### **II.1.4) Short description**

The Authority is seeking an investment manager to manage and grow the assigned Global

Real Estate mandates of the ACCESS pool members.

This procurement is being undertaken by Hampshire County Council (the Authority) on behalf of the Administering Authorities who together comprise the ACCESS Pool.

The ACCESS Pool is a collaboration of 11 like-minded Local Government Pension Scheme

Authorities, investing the pensions of over one million members, delivering strong investment performance, achieving greater cost efficiency and benefiting from the best of local authority procurement. Further information regarding the ACCESS Pool can be found

here: <https://www.accesspool.org/>.

#### **II.1.6) Information about lots**

This contract is divided into lots: No

#### **II.1.7) Total value of the procurement (excluding VAT)**

Value excluding VAT: £250,000,000

### **II.2) Description**

#### **II.2.3) Place of performance**

NUTS codes

- UKF2 - Leicestershire, Rutland and Northamptonshire
- UKH - East of England
- UKJ - South East (England)

#### **II.2.4) Description of the procurement**

Hampshire County Council is running this procurement on behalf of ACCESS pool and is seeking to appoint an investment manager to manage and grow the assigned Global Real Estate mandates of the ACCESS Pool members.

The procurement will be carried out as a two stage Restricted procedure.

Real Estate mandates of the ACCESS Pool members.

The procurement will be carried out as a two stage Restricted procedure.

The duration of the contract(s) shall be thirty (30) years, subject to a five (5) yearly review cycle during this period.

#### **II.2.5) Award criteria**

Quality criterion - Name: Quality / Weighting: 80%

Price - Weighting: 20%

#### **II.2.11) Information about options**

Options: Yes

## Description of options

Across the 11 ACCESS Authorities there is currently a total aggregated exposure of c. £500m

to Global Real Estate (with an additional c. £150m in undrawn commitments), relative to an

estimated target exposure of c. £800m (this is based on each Authority's current strategic asset allocation and latest overall portfolio valuation). Currently 3 out of the 11 Authorities have an exposure to Global Real Estate.

The current expectation is that the c. £500m current aggregated exposure to Global Real Estate will create the foundation of the ACCESS pooled Global Real Estate mandate. The respective Authorities are expected to redeem from their fund of funds allocations/ single fund allocations and invest the redemption proceeds into the pool. However, although possible, not all the c. £500m Global Real Estate exposure is expected to be initially transitioned to the pool. In particular, there is an existing allocation of c. £100m which is invested in a locked-up vehicle, and therefore not expected to be redeemed initially.

In addition, given that in aggregate, the Authorities are underweight their strategic asset allocation targets, it is anticipated that there will be a further c. £150m allocated to the pool

in order to meet these targets.

In practical terms, it is anticipated that the initial mandate size for the pool will be between c.

£400m and c. £550m.

Whilst this estimated mandate size will form the base case for the purposes of this procurement exercise, there is scope for the total mandate size to significantly increase in

scale (and - although unlikely based on information available currently - to possibly decrease), both initially and throughout the life of the mandate, due to the following factors:

(i) Authorities are currently undertaking reviews of their strategic asset allocations following

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the 31 March 2022 triennial actuarial valuations (these are expected to be completed by Q1

2023). For the 3 Authorities with existing exposure to Global Real Estate, the results of these reviews may affect their target allocations. This may have the impact of further increasing the capital that Authorities will collectively allocate to the Global Real Estate pool

(it is also possible that the results may lead to a decrease in the amount allocated). In addition, there are a further 3 Authorities currently without existing Global Real Estate allocations, who have indicated that they are looking to add Global Real Estate exposure to

their portfolios. For context, were each of these 3 Authorities to respectively seek a target Global Real Estate exposure of 3% of their overall portfolios, in total this would result in an additional c. £300m being potentially available to be allocated to the pool.

(ii) It is not anticipated that the Authority with the existing investment in a locked-up vehicle

(currently c. £100m invested with an additional c. £150m in undrawn commitments) will initially transition this to the pool. However, as distributions from this investment are returned to the Authority over time, it is expected that this capital will then be allocated to the pool i.e. a further c. £250m is expected to ultimately be allocated.

## **II.2.14) Additional information**

Note: The stated contract value is an estimate of fees payable over the life of the contract based on anticipated mandate size and maximum fees set out in the Pricing Schedule.

The

actual fees payable will depend on these and other relevant factors applicable over the course of the mandate. This amount should not be taken as a guaranteed value or payment.

Specifically, the estimated total contract value shown above has been derived by making a

number of assumptions at the time of writing, which include: the aggregated authority target

exposure of £800 million as initial assets in the mandate; a contract length of 30 years; a

maximum blended fee rate of 40 basis points; a constant asset growth assumption of 6.0%.

p.a. It should be noted that in practice the actual levels of assets, fees and growth rates are

highly likely to differ materially from these assumptions over the term of the mandate. For

further details on the expected size of this mandate, please see 'Project Background' in

Section 1 of the ITT.

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## **Section IV. Procedure**

### **IV.1) Description**

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

Restricted procedure

#### **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.2.1) Previous publication concerning this procedure**

Notice number: [2022/S 000-022906](#)

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## **Section V. Award of contract**

### **Title**

ACCESS Pool Investment Manager for Real Estate - Global

A contract/lot is awarded: Yes

### **V.2) Award of contract**

#### **V.2.1) Date of conclusion of the contract**

14 February 2023

#### **V.2.2) Information about tenders**

Number of tenders received: 3

Number of tenders received from SMEs: 0

Number of tenders received by electronic means: 3

The contract has been awarded to a group of economic operators: No

#### **V.2.3) Name and address of the contractor**

CBRE Investment Management Indirect Limited

3rd Floor, One New Change

London

EC4M 9AF

Email

[ukhelpdesk@cbre.com](mailto:ukhelpdesk@cbre.com)

Country

United Kingdom

NUTS code

- UKI - London

Companies House

02076511

Internet address

<https://www.cbre.co.uk/>

The contractor is an SME

No

**V.2.4) Information on value of contract/lot (excluding VAT)**

Initial estimated total value of the contract/lot: £250,000,000

Total value of the contract/lot: £250,000,000

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## Section VI. Complementary information

### VI.4) Procedures for review

#### VI.4.1) Review body

High Court of England & Wales

London

Email

[enquiries@judiciary.uk](mailto:enquiries@judiciary.uk)

Country

United Kingdom

Internet address

<https://www.judiciary.uk/courts-and-tribunals/high-court/>