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Tender

## **North of Tyne Combined Authority Fund Manager for Venture/Equity Fund**

North Tyneside Council

F02: Contract notice

Notice identifier: 2022/S 000-016333

Procurement identifier (OCID): ocds-h6vhtk-034672

Published 14 June 2022, 4:30pm

### **Section I: Contracting authority**

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

North Tyneside Council

Quadrant East, The Silverlink North

North Tyneside

NE27 0BY

#### **Contact**

Mrs Joanna Elliott

#### **Email**

[joanna.elliott@northtyneside.gov.uk](mailto:joanna.elliott@northtyneside.gov.uk)

#### **Telephone**

+44 1916434351

#### **Country**

United Kingdom

**NUTS code**

UKC - North East (England)

**Internet address(es)**

Main address

<https://procontract.due-north.com>

Buyer's address

<http://www.northynteside.gov.uk/>

**I.3) Communication**

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

<https://procontract.due-north.com>

Additional information can be obtained from the above-mentioned address

Tenders or requests to participate must be submitted electronically via

<https://procontract.due-north.com>

**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**

North of Tyne Combined Authority Fund Manager for Venture/Equity Fund

Reference number

DN609918

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

- 66000000 - Financial and insurance services

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

Services

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

On behalf of North of Tyne Combined Authority ("NTCA") (see section VI.3 of this notice), North Tyneside Council (the "Procuring Council") is conducting a procurement of a fund manager in respect of a venture fund it is establishing to improve access to finance for high-growth potential organisations based in North East region of England (the "Fund").

The Fund is estimated to have an initial value of c.£30m, composed of £10m of funding from NTCA and £20m being co-investment finance to be raised by the fund manager. The fund manager will be responsible for executing deals and managing the Fund during the 10 year funding cycle. Provided additional funding is secured, the total Fund value could exceed £100m.

While the estimated range of value for the contract is explained in this notice, NTCA is unable to give a definitive contract value as this will depend on the scope of the final services required and total value of the Fund.

Further details are contained in section II.2.3.

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

This contract is divided into lots: No

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

## **II.2.2) Additional CPV code(s)**

- 79000000 - Business services: law, marketing, consulting, recruitment, printing and security

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

NUTS codes

- UKC - North East (England)

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

The procurement documents are available to view and download at:

<https://procontract.due-north.com/>. Bidders are required to submit their tenders by noon on 21 July 2022.

Full details of NTCA's requirements are set out in the Invitation to Tender ("ITT").

The Fund should support companies at any stage in the business life cycle which are engaged in innovation or developing disruptive business model, with a particular focus on innovative start-ups and early-stage growth businesses linked to key economic growth opportunities in the North East region of England. The focus of the Fund should primarily be on early-stage investment (seed, late seed and series A). This may include initial investments, as well as subsequent follow-on investments into businesses that have received earlier stage investment from the Fund.

The Fund will primarily invest in projects in the NTCA region with expansion into projects outside the region where certain conditions, as set out in the ITT, are met. For example, as a result of ongoing dialogue with Government around a wider devolution deal for the region (and therefore such devolution may establish a successor authority, to which this procurement naturally relates).

The legal structure of the Fund will contain a mechanism to allow any Contracting Authority or any Body Governed by Public Law (as defined in the Public Contracts Regulations 2015), including local authorities and any public sector pension funds, to invest in the Fund and access the fund manager.

It is estimated that the Fund will commence investment once achieving a first close scale of £30m, which will be comprised of:

1) £10 million of funding from NTCA; and

2) a minimum of £20 million co-investment finance, expected to be raised and leveraged by the fund manager (which will be required to unlock the first close of the Fund and commence investment).

The Fund is estimated to have one 10 year funding cycle (although the exact duration of the Fund's operation is to be determined by the preferred bidder), though the draft contract contains options following conclusion of this initial funding cycle. The contract will also allow for early termination of the Fund and/or the exit of NTCA's investment should the Fund not achieve its key mobilisation and co-investment milestones prior to commencing investment.

Revenue for the fund manager's services shall be determined in accordance with principles further detailed in the ITT.

This procurement is intended to cover the initial value and scope of the Fund together with any increases in the scale of the Fund as a result of additional resources being secured. Interested organisations should use this information to aid in their estimation of the revenue likely to be generated.

The services anticipated to be required by NTCA for the fund manager services are summarised below (though see the ITT for further information):

- 1) financial and investment services;
- 2) business services; and
- 3) fund management services.

To help to ensure that sufficient interest in the contract will be generated, the services being procured will not be divided into separate lots.

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

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

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

Duration in months

240

This contract is subject to renewal

Yes

Description of renewals

17.9. The estimated term of the Fund is 10 years (although the exact duration of the

Fund's operation is to be determined by the preferred Bidder). The 10-year term is expected to be composed of one funding cycle with an investment period followed by a realisation period of roughly equal durations. Subject to performance, the following options will be available:

17.9.1. increase in value over the initial 10-year term, though any further funding from NTCA would be subject to further approvals by NTCA Cabinet;

17.9.2. be extended in whole (extension of both investment and realisation phases) or in part (extension of either investment or realisation window) for a further period of up to 10 years following expiry of the initial term subject to the mutual agreement of the Limited Partners, with or without further funding from NTCA

#### **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

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## **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

Information and formalities necessary for evaluating if requirements are met in accordance with Regulations 57-58 of the Public Contracts Regulations 2015 is set out in the Selection Questionnaire which is available at: <https://procontract.due-north.com/>.

#### **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

Information and formalities necessary for evaluating if requirements are met in accordance with Regulations 57-58 of the Public Contracts Regulations 2015 is set out in the Selection Questionnaire which is available at: <https://procontract.due-north.com/>.

#### **III.2.2) Contract performance conditions**

Information relating to contract performance conditions will be set out in the ITT.

## **Section IV. Procedure**

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

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

Open procedure

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

The procurement is covered by the Government Procurement Agreement: Yes

### **IV.2) Administrative information**

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

Date

21 July 2022

Local time

12:00pm

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

English

#### **IV.2.6) Minimum time frame during which the tenderer must maintain the tender**

Duration in months: 6 (from the date stated for receipt of tender)

#### **IV.2.7) Conditions for opening of tenders**

Date

21 July 2022

Local time

12:00pm

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## **Section VI. Complementary information**

### **VI.1) Information about recurrence**

This is a recurrent procurement: No

### **VI.2) Information about electronic workflows**

Electronic ordering will be used

Electronic invoicing will be accepted

Electronic payment will be used

### **VI.3) Additional information**

At this stage, the list of services and the CPV codes set out in sections II.1.2 and II.2.1 are indicative only and contain the broad categorisation of services rather than particulars. Bidders should assume that the services actually required will broadly be within the scope of services listed in this contract notice but will also include extensions to related or ancillary services within each categorisation. The actual scope of services required may be narrower than set out in this contract notice. The services shall also include any services required by the Fund, which the fund manager will subsequently procure.

NTCA receives procurement support from North Tyneside Council and legal support from Newcastle City Council (and external providers). North Tyneside Council is supporting NTCA in the delivery of the procurement and so is listed as the procuring organisation although legal documents will be entered into by NTCA.

While the estimated range of value for the contract is explained in this notice, NTCA is unable to give a definitive contract value and the final value will depend on the scope of the final services required and value of the Fund. Bidders should presume that this value will cover the services listed and those ancillary to the principal services required on a project of a comparable scale as the Fund (including any extensions of scope set out in this notice).

Informal meetings have been held with a number of local and national funds and fund managers, and a formal market engagement exercise was undertaken through the NEPO portal in the form of a standard questionnaire. Details of this process are included in the ITT. If you have any issues or require further guidance on any of the processes within the procurement portal, please visit the Help Centre at <https://supplierhelp.due-north.com/>.

For questions on how to use the web site please visit the Help Centre at

[https://supplierhelp.due-north.com/.](https://supplierhelp.due-north.com/)

## **VI.4) Procedures for review**

### **VI.4.1) Review body**

Royal Courts of Justice

Strand

London

WC2A 2LL

Telephone

+44 2079476000

Country

United Kingdom