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Tender

North East LEP - Fund Manager for Commercial Property Investment Fund

North Tyneside Council

F02: Contract notice

Notice identifier: 2021/S 000-017810

Procurement identifier (OCID): ocds-h6vhtk-02b33a

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Section I: Contracting authority

I.1) Name and addresses

North Tyneside Council

Quadrant, Cobalt Business Park, The Silverlink North

North Tyneside

NE27 0BY

Contact

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Telephone

+44 1916435660

Country

United Kingdom

NUTS code

UKC - North East (England)

Internet address(es)

Main address

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

Buyer's address

<http://www.northtyneside.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/Advert/Index?advertId=312fd50b-b0b8-eb11-810c-005056b64545>

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/Advert/Index?advertId=312fd50b-b0b8-eb11-810c-005056b64545>

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

North East LEP - Fund Manager for Commercial Property Investment Fund

Reference number

DN544922

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 the North East LEP (see section VI.3 of this notice), North Tyneside Council (the "Council") is conducting a procurement of a fund manager in respect of the North East LEP's Commercial Property Investment Fund ("CPIF") to unlock development opportunities in the region and to generate returns to be reinvested in future development funding opportunities.

The CPIF will be an investment fund that finances almost viable property and regeneration projects throughout the North East LEP area in pursuit of Strategic Economic Plan objectives. The fund manager will have responsibility for finding and executing deals and managing the CPIF portfolio and will be expected to manage the CPIF for the duration of the funding cycle (currently estimated to be at least 15 years).

Further details are contained in sections II.2.4 as well as a preliminary market consultation document available at the address in section I.3 of this notice.

II.1.6) Information about lots

This contract is divided into lots: No

II.2) Description

II.2.2) Additional CPV code(s)

- 66100000 - Banking and investment services
- 70112000 - Development of non-residential real estate
- 70332200 - Commercial property management services

II.2.3) Place of performance

NUTS codes

- UKC - North East (England)

II.2.4) Description of the procurement

II.1.1) Description of the procurement (maximum 4,000 characters):

(nature and quantity of works, supplies or services or indication of needs and requirements)

The procurement will involve a competitive dialogue procedure in which bidders may be invited to engage in dialogue with the Council and North East LEP.

The Selection Questionnaire for the procurement is available to view and download at: <https://procontract.due-north.com/>. Bidders are required to submit their Selection Questionnaire in the procurement portal by no later than 12:00 noon on 26 August 2021 . For further information please see the Selection Questionnaire.

Full details of the Council and the North East LEP's minimum requirements will be set out in the ITT.

The CPIF will be a revolving fund accompanied by separate pot(s) offering incentive funding to address market failure. It is estimated that the CPIF will initially be comprised of:

- 1) £35 million in senior or mezzanine debt; and
- 2) £15 million in incentive funding.

The CPIF is estimated to have a 15-year funding cycle. Subject to performance and the provision of further public funding, the CPIF will have the potential to increase in value and be extended for a further 5-year period (i.e. 20 years in total). The contract will also allow for early termination of the CPIF should it not achieve its expected levels of return (subject to a performance review in year 6, following the conclusion of the first funding cycle).

Revenue for the fund manager's services will be paid over the term of the contract and will be

based on arrangement/exit fees charged in the administration of the CPIF. For value estimation purposes, North East LEP estimates that the £35 million senior or mezzanine debt will be utilised three times over the course of the 15-year funding cycle. Total senior or mezzanine debt over the initial term of the CPIF is therefore expected to be £105 million. This procurement is intended to cover the initial value and scope of the fund together with any increases in the scale of the CPIF as a result of additional fund 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 the North East LEP for the fund manager services are summarised below (though confirmation of the final expected scope will be set out in the ITT):

1. commercial property management, development and regeneration; and
2. financial and investment services.

At this stage, the above list of services is indicative only and contains 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 above but will also include extensions to related or ancillary services within each categorisation. The actual scope of services required may be narrower than that set out above. The services shall also include any services required by the CPIF, which the fund manager will subsequently procure.

The legal structure of the CPIF will contain a mechanism to allow any body governed by public law and situated within the North East LEP boundary area to access the fund manager. Full details of the proposed legal structure of the CPIF will be set out in the ITT and draft contract documents.

Following feedback from interested organisations during preliminary market consultation, and 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

No

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

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.2.2) Contract performance conditions

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

III.2.3) Information about staff responsible for the performance of the contract

Obligation to indicate the names and professional qualifications of the staff assigned to performing the contract

Section IV. Procedure

IV.1) Description

IV.1.1) Type of procedure

Competitive dialogue

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.2.1) Previous publication concerning this procedure

Notice number: [2021/S 000-011208](#)

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

Date

26 August 2021

Local time

12:00pm

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

1 September 2021

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)

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

As the North East LEP is not a corporate entity, its accountable body, which holds funding and property and employs staff, is the North of Tyne Combined Authority ("NTCA"). NTCA is the legal entity which receives all funding awarded to the North East LEP and which distributes funding on the North East LEP's behalf. As part of the accountable body arrangements, the North East LEP receives procurement support from North Tyneside Council and legal support from Newcastle City Council (and external providers). North Tyneside Council is supporting North East LEP in the delivery of the procurement and so is listed as the procuring organisation although legal documents will be entered into by NTCA (on behalf of the North East LEP).

While the estimated range of value for the contract is explained in this notice, the North East LEP is unable to give a definitive contract value and the final value will depend on the scope of the final services required. 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 CPIF (including any extensions of scope set out in this notice).

The Council and the North East LEP conducted preliminary market consultation in June 2021 pursuant to Regulation 40 of the Public Contracts Regulations 2015. Market consultation was carried out in order to discuss the CPIF and its proposed structure and objectives, as well as the Council and the North East LEP's expectations in respect of the procurement for the fund manager for the CPIF with interested organisations.

Participation in the market consultation is not a requirement for future progress in the procurement.

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/>

VI.4) Procedures for review

VI.4.1) Review body

Royal Courts of Justice

Strand

London

WC2A 2LL

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+44 2079476000

Country

United Kingdom