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Tender

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

F02: Contract notice

Notice identifier: 2022/S 000-022906

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

Published 18 August 2022, 9:05am

Section I: Contracting authority

I.1) Name and addresses

HAMPSHIRE COUNTY COUNCIL

The Castle

WINCHESTER

Email

cpsajj@hants.gov.uk

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

I.1) Name and addresses

Hertfordshire County Council

Hertford

Email

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

<https://www.hertfordshire.gov.uk/home.aspx>

I.1) Name and addresses

Isle of Wight Council

Newport

Email

customer.services@iow.gov.uk

Country

United Kingdom

Region code

UKJ3 - Hampshire and 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

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

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

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.suffolk.gov.uk/>

I.1) Name and addresses

West Northamptonshire Council

Northampton

Email

enquiries.nbc@westnorthants.gov.uk

Country

United Kingdom

Region code

UKF2 - Leicestershire, Rutland and 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

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

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.eastsussex.gov.uk/>

I.1) Name and addresses

Cambridge City Council

Cambridge

Email

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

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.3) Communication

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

<https://in-tendhost.co.uk/hampshire.aspx/Home>

Additional information can be obtained from the above-mentioned address

Tenders or requests to participate must be submitted electronically via

<https://in-tendhost.co.uk/hampshire.aspx/Home>

I.4) Type of the contracting authority

Regional or local authority

I.5) Main activity

Economic and financial affairs

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.1.5) Estimated total value

Value excluding VAT: £250,000,000

II.1.6) Information about lots

This contract is divided into lots: No

II.2) Description

II.2.3) Place of performance

NUTS codes

- UKF2 - Leicestershire, Rutland and Northamptonshire
- UKH - East of England
- UKJ2 - Surrey, East and West Sussex
- UKJ3 - Hampshire and Isle of Wight
- UKJ4 - Kent

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.

Full details of the requirement can be found in the Specification at Annex 1 of the ITT documentation by registering within Hampshire's instance of the In-Tend e-procurement platform at the following URL: <https://in-tendhost.co.uk/hampshire/aspx/Home>

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: £250,000,000

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

Duration in months

360

This contract is subject to renewal

No

II.2.10) Information about variants

Variants will be accepted: No

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 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.

Section III. Legal, economic, financial and technical information

III.1) Conditions for participation

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

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: Yes

IV.2) Administrative information

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

Date

23 September 2022

Local time

2:00pm

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

18 October 2022

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.4) Procedures for review

VI.4.1) Review body

High Court of England and Wales

London

Country

United Kingdom