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Tender

## **ACCESS Pool Investment Manager for Real Estate - UK Core**

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 000-022907

Procurement identifier (OCID): ocids-h6vhtk-035fc3

Published 18 August 2022, 9:06am

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

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

HAMPSHIRE COUNTY COUNCIL

The Castle

WINCHESTER

**Email**

[cpsajj@hants.gov.uk](mailto: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](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

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

### **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**

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](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**

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](mailto: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](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**

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](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.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

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## **Section II: Object**

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

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

ACCESS Pool Investment Manager for Real Estate - UK Core

Reference number

CR19851

#### **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 UK Core 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: £2,000,000,000

#### **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 UK Core Real Estate mandates of the ACCESS Pool members.

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

At the conclusion of the procurement procedure, each named Authority will enter into its own contract with the successful Supplier at their own discretion.

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: £2,000,000,000

#### **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. £4.9 billion to UK Real Estate, relative to a target exposure of c. £5.8 billion (this is based on each Authority's current strategic asset allocation and latest overall portfolio valuation). Of this existing c. £4.9 billion exposure, four Authorities have direct UK core property portfolios totalling c. £2.5 billion and the other seven Authorities have indirect UK core exposure allocations (via fund of funds allocations or single fund allocations) totalling c. £2.1 billion. In addition, c. £0.3 billion in aggregate has been allocated by some Authorities to alternative UK strategies via single-fund allocations.

The current expectation is that the c. £2.1 billion indirect UK core exposure will create the foundation of the ACCESS pooled UK Core 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. £2.1 billion indirect UK core exposure is expected to be transitioned to the pool. There are some existing allocations which are not expected to be redeemed initially, and it is also expected that some of the redemption proceeds may be allocated to a separate ACCESS UK Alternative Real Estate solution.

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). The results of these reviews may affect each respective Authority's target allocation to UK Core Real Estate. This may have the impact of further increasing the capital that Authorities will collectively allocate to the UK Core Real Estate pool (it is also possible that the results may lead to a decrease in the amount allocated). For context, were each Authority with existing indirect UK core real estate exposure to increase their target exposure by 1%, this would result in an additional c. £0.3 billion being potentially

available to be allocated to the pool.

ii. It has been assumed that a portion (c. £0.3 billion) of the total redemption proceeds from the existing indirect UK core exposure will be allocated to the ACCESS UK Alternative Real Estate solution. However if this does not turn out to be the case then this will likely be allocated to the ACCESS UK Core Real Estate mandate.

iii. Based on discussions with some Authorities, it has further been assumed that c. £0.3 billion in existing single-fund allocations will not be redeemed immediately for strategic reasons. However if this does not turn out to be the case then this will likely be allocated to the ACCESS UK Core Real Estate mandate.

iv. For the anticipated initial mandate size for the pool (£0.75 billion - £1.25 billion) the low end of the range has been determined by assuming that only around half of the expected redemptions will be transitioned to the pool i.e. there is scope for an additional c. £0.75 billion to be allocated to the pool if all respective Authorities ultimately decide to transition.

v. In addition to the seven Authorities with existing indirect UK core exposure, there are four further Authorities who have existing portfolios of direct UK core exposure. As noted previously, it is anticipated that initially one of these Authorities may appoint the investment manager to the ACCESS pooled solution to manage its own direct holdings. However, over the life of the mandate it may be the case that one, two or all of the other three Authorities will seek a similar arrangement. Across these three Authorities, the current aggregated market value of their direct UK portfolios is c. £1.8 billion.

## **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 authorities' current exposure of £4.9 billion as initial assets in the mandate; a contract length of 30 years; a maximum blended fee rate of 50 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 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

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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: 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

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## **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