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Tender

## **Innovation Investment Fund – Procurement of a Fund Manager**

Cardiff Council  
Blaenau Gwent County Borough Council  
Bridgend County Borough Council  
Caerphilly County Borough Council  
Merthyr Tydfil County Borough Council  
Monmouthshire County Council  
Newport City Council  
Rhondda Cynon Taf CBC  
Torfaen County Borough Council  
Vale of Glamorgan Council

F02: Contract notice

Notice identifier: 2021/S 000-028625

Procurement identifier (OCID): ocds-h6vhtk-02f740

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

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

Cardiff Council

County Hall, Atlantic Wharf

Cardiff

CF10 4UW

#### **Email**

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

**Telephone**

+44 2920873732

**Country**

United Kingdom

**NUTS code**

UKL22 - Cardiff and Vale of Glamorgan

**Internet address(es)**

Main address

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

Buyer's address

[https://www.sell2wales.gov.wales/search/Search\\_AuthProfile.aspx?ID=AA0422](https://www.sell2wales.gov.wales/search/Search_AuthProfile.aspx?ID=AA0422)

**I.1) Name and addresses**

Blaenau Gwent County Borough Council

Municipal Offices, Civic Centre

Ebbw Vale

NP23 6XB

**Email**

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

**Telephone**

+44 1495311556

**Country**

United Kingdom

**NUTS code**

UKL16 - Gwent Valleys

**Internet address(es)**

Main address

<http://www.blaenau-gwent.gov.uk/>

Buyer's address

[https://www.sell2wales.gov.wales/search/Search\\_AuthProfile.aspx?ID=AA0278](https://www.sell2wales.gov.wales/search/Search_AuthProfile.aspx?ID=AA0278)

**I.1) Name and addresses**

Bridgend County Borough Council

Bridgend County Borough Council, Procurement Unit, Civic Offices, Angel Street

Bridgend

CF31 4WB

**Email**

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

**Telephone**

+44 1656642596

**Country**

United Kingdom

**NUTS code**

UKL17 - Bridgend and Neath Port Talbot

**Internet address(es)**

Main address

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

Buyer's address

[https://www.sell2wales.gov.wales/search/Search\\_AuthProfile.aspx?ID=AA0417](https://www.sell2wales.gov.wales/search/Search_AuthProfile.aspx?ID=AA0417)

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

Caerphilly County Borough Council

Penallta House, Tredomen Park, Ystrad Mynach

Hengoed

CF82 7PG

#### **Email**

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

#### **Telephone**

+44 1443863161

#### **Fax**

+44 1443863167

#### **Country**

United Kingdom

#### **NUTS code**

UKL16 - Gwent Valleys

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

Main address

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

Buyer's address

[https://www.sell2wales.gov.wales/search/Search\\_AuthProfile.aspx?ID=AA0272](https://www.sell2wales.gov.wales/search/Search_AuthProfile.aspx?ID=AA0272)

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

Merthyr Tydfil County Borough Council

Unit 5,, Triangle Business Park, Pentrebach

Merthyr Tydfil

CF48 4TQ

**Email**

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

**Telephone**

+44 1685725000

**Fax**

+44 1443863167

**Country**

United Kingdom

**NUTS code**

UKL15 - Central Valleys

**Internet address(es)**

Main address

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

Buyer's address

[https://www.sell2wales.gov.wales/search/Search\\_AuthProfile.aspx?ID=AA0347](https://www.sell2wales.gov.wales/search/Search_AuthProfile.aspx?ID=AA0347)

**I.1) Name and addresses**

Monmouthshire County Council

County Hall, Rhadyr

Usk

NP15 1GA

**Email**

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

**Telephone**

+44 1633644644

**Fax**

+44 1443863167

**Country**

United Kingdom

**NUTS code**

UKL21 - Monmouthshire and Newport

**Internet address(es)**

Main address

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

Buyer's address

[https://www.sell2wales.gov.wales/search/Search\\_AuthProfile.aspx?ID=AA0277](https://www.sell2wales.gov.wales/search/Search_AuthProfile.aspx?ID=AA0277)

**I.1) Name and addresses**

Newport City Council

Civic Centre

Newport

NP20 4UR

**Email**

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

**Telephone**

+44 1633656656

**Fax**

+44 1443863167

**Country**

United Kingdom

**NUTS code**

UKL21 - Monmouthshire and Newport

**Internet address(es)**

Main address

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

Buyer's address

[https://www.sell2wales.gov.wales/search/Search\\_AuthProfile.aspx?ID=AA0273](https://www.sell2wales.gov.wales/search/Search_AuthProfile.aspx?ID=AA0273)

**I.1) Name and addresses**

Rhondda Cynon Taf CBC

The Pavilions, Clydach Vale

Tonypandy

CF40 2XX

**Email**

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

**Telephone**

+44 1443

**Fax**

+44 1443863167

**Country**

United Kingdom

**NUTS code**

UKL15 - Central Valleys

**Internet address(es)**

Main address

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

Buyer's address

[https://www.sell2wales.gov.wales/search/Search\\_AuthProfile.aspx?ID=AA0276](https://www.sell2wales.gov.wales/search/Search_AuthProfile.aspx?ID=AA0276)

**I.1) Name and addresses**

Torfaen County Borough Council

Civic Centre, Pontypool

Torfaen

NP4 6YB

**Email**

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

**Telephone**

+44 1495762200

**Fax**

+44 1443863167



**Country**

United Kingdom

**NUTS code**

UKL16 - Gwent Valleys

**Internet address(es)**

Main address

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

Buyer's address

[https://www.sell2wales.gov.wales/search/Search\\_AuthProfile.aspx?ID=AA0498](https://www.sell2wales.gov.wales/search/Search_AuthProfile.aspx?ID=AA0498)

**I.1) Name and addresses**

Vale of Glamorgan Council

Civic Offices, Holton Road

BARRY

CF63 4RU

**Email**

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

**Telephone**

+44 1446700111

**Fax**

+44 1443863167

**Country**

United Kingdom

**NUTS code**

UKL22 - Cardiff and Vale of Glamorgan

**Internet address(es)**

Main address

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

Buyer's address

[https://www.sell2wales.gov.wales/search/Search\\_AuthProfile.aspx?ID=AA0275](https://www.sell2wales.gov.wales/search/Search_AuthProfile.aspx?ID=AA0275)

**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://supplierlive.proactisp2p.com>

Additional information can be obtained from the above-mentioned address

Tenders or requests to participate must be submitted electronically via

<https://supplierlive.proactisp2p.com>

Electronic communication requires the use of tools and devices that are not generally available. Unrestricted and full direct access to these tools and devices is possible, free of charge, at

<https://supplierlive.proactisp2p.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**

Innovation Investment Fund – Procurement of a Fund Manager

Reference number

ERFX 1007681

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

- 66171000 - Financial consultancy services

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

Services

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

Cardiff Council is seeking to procure a Financial Conduct Authority (“FCA”) authorised fund manager (“Fund Manager”) on behalf of Cardiff Capital Region (“CCR”) to establish, provide certain services, and to manage the capital allocated under the innovation investment fund (“Fund”) which focuses on providing funding support to proven high growth innovative businesses looking to scale up, via patient capital or long-term investment, in the South East Wales region. The fund will be capitalised initially at 50million GBP, but will look to target a total Fund size of up to 100million GBP; including co-investment from other investors. The Fund is anticipated to be classed as an alternative investment fund and will be structured under a conventional limited partnership model under which the Fund Manager will, amongst other matters, be principally expected to: (a) provide advice upon and finalisation of the Investment Strategy for the Fund; (b) marketing, promoting and securing a pipeline of suitable potential applicants; (c) reviewing applications, undertaking all required due diligence and marshalling the application process to determine suitability for the Fund in accordance with the prescribed investment strategy and eligibility criteria; (d) provide ongoing monitoring, scrutiny and management of investments made, reporting and highlighting any potential or actual risks arising and how these may be managed; (e) potentially, invest capital itself (or via an affiliate company) directly into the Fund (on terms to be agreed); (f) procuring co-investment for the Fund from other private and/or public sector investors; and (g) fulfilling the role of an FCA authorised fund manager for the Fund.. The Fund is anticipated to run for an initial 5 year period of investment activity, followed by up to 7 years of monitoring and management of the fund portfolio with the ability to extend by a further [2] to [3] years (on terms to be determined).

### **II.1.5) Estimated total value**

Value excluding VAT: £65,000,000

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

This contract is divided into lots: No

## **II.2) Description**

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

- 79412000 - Financial management consultancy services
- 72221000 - Business analysis consultancy services
- 79410000 - Business and management consultancy services

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

NUTS codes

- UKL - Wales

Main site or place of performance

South East Wales

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

Cardiff Capital Region (CCR) City Deal is a 1.1bn GBP economic growth programme which was agreed in 2016 between UK Government, Welsh Government and ten local authorities in South East Wales (the "Region") to bring about significant economic growth in the Region through investment, upskilling, and improved physical and digital connectivity. The CCR local authorities are: Blaenau Gwent, Bridgend, Caerphilly, Cardiff Council, Merthyr Tydfil, Monmouthshire, Newport, Rhondda Cynon Taf, Torfaen and Vale of Glamorgan.

In furtherance of the City Deal core objectives, CCR is seeking to establish a 50 million GBP Fund that will provide funding support to high growth innovative businesses looking to scale up, via patient capital or long-term investment, in the South East Wales region. The Fund is anticipated to be classed as an alternative investment fund and will be structured under a conventional corporate limited partnership model. The Fund Manager will be engaged under a bespoke fund manager services contract to be entered into with the general partner or another corporate entity (once established by or on behalf of CCR). CCR, however, reserve the right to engage the Fund Manager directly or via an

alternative corporate structure (to include a corporate joint committee if and when established by CCR). CCR anticipates that the duration of the Fund Manager's services contract will align with the duration of the Fund.

The term of the Fund is anticipated to be for an initial 5 years of investment activity, followed by up to 7 years of monitoring and management of the fund portfolio, with the possibility of an extension by CCR for further period(s) of up to 2 - 3 years. The appointed Fund Manager will be expected to procure co-investment capital for the Fund, and for individual investments, either directly and/or via other public and/or private sources. The target total level of investment commitments to the fund is 100 million GBP, including co-investment from other investors. The principal objectives of the Fund, investment products, investment criteria, eligibility criteria and target outputs are set out in the Investment Strategy which has been issued as part of the Draft ITPD alongside this Contract Notice.

CCR is seeking to commission an FCA authorised fund manager to, amongst other matters, help market the Fund, source and originate investment opportunities, source investment from other investors and a pipeline of applicants, undertake due diligence on applicants and (acting as the general partner) manage the capital allocated under the Fund. It is intended that CCR will invest 50 million GBP into the Fund at the outset to fund the initial 5 years of investment activity which is to be supplemented by co-investment capital. The full scope of services is set out in Fund Manager Services Contract which has been issued as part of the Draft ITPD alongside this Contract Notice.

CCR is now inviting suitably qualified candidates to submit a response to the standard selection questionnaire (SQ) for this contract opportunity. Details of where to obtain the SQ and other documentation being released at this stage can be found in Section I of this contract notice.

The contract value for this opportunity is an estimated range of 10m GBP - 65m GBP. The range has been calculated using market comparator rates for profit and fund activity.

#### **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: £65,000,000

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

Duration in months

180

This contract is subject to renewal

Yes

Description of renewals

The minimum term will be 12 years with the discretion for CCR to extend the services contract for a period or periods up to a further 2 + 1 years in total.

**II.2.9) Information about the limits on the number of candidates to be invited**

Envisaged number of candidates: 3

Objective criteria for choosing the limited number of candidates:

As set out within the SQ.

**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

**II.2.14) Additional information**

Please note, the estimated value at II.1.5 and II.2.6 is based on the maximum 15 year duration of services.

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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

### **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

Provider must be FCA registered and maintain this authorisation throughout the contract

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

Please refer to the draft contract, the form of which is being made available as part of the Draft ITPD from the address at 2.4

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

Date

16 December 2021

Local time

12:00pm

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

17 January 2022

#### **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)



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## **Section VI. Complementary information**

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

This is a recurrent procurement: No

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

To register your interest in this notice and obtain any additional information please visit <https://supplierlive.proactisp2p.com> ERFX1007681

CCR is conducting this procurement in accordance with the Public Contracts Regulations 2015 as amended, and successor legislation which may follow, using the competitive dialogue procedure as set out in Regulation 30. Following assessment of SQ submissions, CCR intends to shortlist [3] candidates to be invited to participate in dialogue. Please see the SQ for further details. CCR then intends to conduct a focussed and effective dialogue stage with the aim of enabling bidders to submit a final tender that meets CCR's requirements. The Draft ITPD is being issued with the Contract Notice for information only and contains information on the anticipated procurement process and draft contract terms.

Candidates are solely responsible for their costs and expenses incurred in connection with this procurement. Under no circumstances (including circumstances where CCR cancels or varies the procurement) will CCR or Cardiff Council or any of its advisers be liable for any costs or expenses borne or incurred by the candidates or their advisers.

NOTE: To register your interest in this notice and obtain any additional information please visit the Sell2Wales Web Site at [https://www.sell2wales.gov.wales/Search/Search\\_Switch.aspx?ID=115881](https://www.sell2wales.gov.wales/Search/Search_Switch.aspx?ID=115881).

Under the terms of this contract the successful supplier(s) will be required to deliver Community Benefits in support of the authority's economic and social objectives. Accordingly, contract performance conditions may relate in particular to social and environmental considerations. The Community Benefits included in this contract are:

PLEASE SEE TENDER DOCUMENTATION

(WA Ref:115881)

The buyer considers that this contract is suitable for consortia.

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

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

High Court

Royal Courts of Justice, The Strand

London

WC2A 2LL

Telephone

+44 2079477501

Country

United Kingdom

#### **VI.4.3) Review procedure**

Precise information on deadline(s) for review procedures

In accordance with the Public Contract Regulations 2015, CCR will incorporate a minimum 10 calendar days standstill period from the date information on award of contract is communicated to bidders.