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Tender

Procurement of Fund Management Services for University Commercialisation and Spinout Fund

THE NORTH EAST FUND LIMITED

F02: Contract notice

Notice identifier: 2024/S 000-034211

Procurement identifier (OCID): ocds-h6vhtk-04b047

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Section I: Contracting authority

I.1) Name and addresses

THE NORTH EAST FUND LIMITED

Fifth Floor, West One, Forth Banks

NEWCASTLE-UPON-TYNE

NE13PA

Email

tenders@northeastfund.org

Country

United Kingdom

Region code

UKC22 - Tyneside

Companies House

10441614

Internet address(es)

Main address

<https://www.northeastfund.org/>

I.3) Communication

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

<https://www.northeastfund.org/business-guidance-support/>

Additional information can be obtained from the above-mentioned address

Tenders or requests to participate must be submitted electronically via

<https://www.northeastfund.org/business-guidance-support/>

I.4) Type of the contracting authority

Other type

Company Owned By Local Authorities

I.5) Main activity

Economic and financial affairs

Section II: Object

II.1) Scope of the procurement

II.1.1) Title

Procurement of Fund Management Services for University Commercialisation and Spinout Fund

Reference number

TNEFL/2024/04

II.1.2) Main CPV code

- 66100000 - Banking and investment services

II.1.3) Type of contract

Services

II.1.4) Short description

The North East Fund seeks to appoint a professional, FCA authorised fund management organisation to deliver a University commercialisation and spinout fund in the North East of England. The fund will invest in companies which have emerged from, or are commercialising intellectual property in conjunction with, one or more of: Durham University; Newcastle University; Northumbria University; The University of Sunderland and Teesside University (the "NE Universities"). In doing so, the Fund will drive innovation and R&D investment in the North East, including through translational research, high quality SME innovation support and the development of nationally significant assets through the promotion of the commercialisation of research and spinout creation from these research intensive institutions.

The Fund has the working title of the "University Commercialisation and Spinout Fund"; its final name will be agreed with the appointed fund manager.

The North East's Universities and the North East Combined Authority share an objective to drive innovation and R&D investment in the North East, including through translational research, high quality SME innovation support and the development of nationally significant assets through the promotion of the commercialisation of research and spinout creation from research intensive institutions.

The Fund will support these objectives by providing risk tolerant and patient investments to relatively high-risk, potential high-growth early-stage ventures which are commercialising research and innovation activity in collaboration with one or more of the NE Universities. The appointed Fund Manager will be required to work closely and collaboratively with the NE Universities to help identify, catalyse and maximise spinout and other commercialisation activity and thereby generate deal-flow for the Fund.

Significant progress has been made on commercialising research and innovation activity at the NE Universities, with collaborative programmes such as the Northern Accelerator helping to achieve over 50 spinouts in recent years. The NE Universities have developed commercialisation systems and deal terms in response to the recommendations of the Independent Spin Out Review and which are aligned with the University Spin-Out Investment Terms guide. The NE Universities have a sizable pipeline of spinout and other commercialisation opportunities which the appointed Fund Manager will gain access to,

and will work collaboratively with the NE Universities to help identify those which are best suited to the Fund and have the greatest potential to achieve significant scale

II.1.5) Estimated total value

Value excluding VAT: £5,500,000

II.1.6) Information about lots

This contract is divided into lots: No

II.2) Description

II.2.2) Additional CPV code(s)

- 66122000 - Corporate finance and venture capital services

II.2.3) Place of performance

NUTS codes

- UKC - North East (England)

Main site or place of performance

The North East of England, comprising: Northumberland; Tyne & Wear; County Durham and the Tees Valley.

II.2.4) Description of the procurement

Please see Section II.1.4 for a summary of the contract and the Information Memorandum, which can be downloaded from The North East Fund's website, for details.

The procurement process will be conducted in accordance with the Public Contracts Regulations 2015 (as amended) using the Competitive Procedure with Negotiation as detailed in Regulation 29 of those Regulations.

The purpose of this procurement is to procure the services of a single FCA regulated fund manager. The contract will have an initial duration of 10 years, but can be extended by up to a further 10 years, to 20 years in total.

Please note that the contract value stated in this Contract Notice is an estimate based on assumptions regarding: the fund management fees tendered; the overall quantum of capital which will be committed to the fund; the duration of the contract and the profile of exits from and impairments to portfolio companies. As such, the ultimate fees paid under the contract could be lower or higher than the estimated contract value stated in this

Contract Notice and, in particular, is likely to be higher in the event that additional capital is committed to the fund which facilitates the extension of the investment period beyond the initial 5 year period.

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: £5,500,000

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

The contract comprises an Investment Period and a Realisation Period, which are both initially contracted to last for 5 years but which can both be extended (by agreement) - such that the maximum aggregate duration (of Investment Period plus Realisation Period) will be 20 years.

II.2.10) Information about variants

Variants will be accepted: Yes

II.2.11) Information about options

Options: 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

Participants must be authorised and registered with the Financial Conduct Authority, or must be able to explain how they will become authorised in time to deliver the contract - as detailed in the Selection Questionnaire.

III.2) Conditions related to the contract

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 procedure with negotiation

IV.1.4) Information about reduction of the number of solutions or tenders during negotiation or dialogue

Recourse to staged procedure to gradually reduce the number of solutions to be discussed or tenders to be negotiated

IV.1.5) Information about negotiation

The contracting authority reserves the right to award the contract on the basis of the initial tenders without conducting negotiations

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

22 November 2024

Local time

12:00pm

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

4 December 2024

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.4) Procedures for review

VI.4.1) Review body

High Court of England & Wales

London

Country

United Kingdom