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Planning

Green Growth West Impact Fund - Fund Management - Market Engagement

West of England Combined Authority

F01: Prior information notice

Prior information only

Notice identifier: 2024/S 000-035431

Procurement identifier (OCID): ocids-h6vhtk-04b32b

Published 1 November 2024, 10:25am

Section I: Contracting authority

I.1) Name and addresses

West of England Combined Authority

70 redcliffe street

bristol

BS16EW

Contact

Paul Smith

Email

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Telephone

+44 7500040480

Country

United Kingdom

Region code

UKK11 - Bristol, City of

Justification for not providing organisation identifier

Not on any register

Internet address(es)

Main address

<https://www.westofengland-ca.gov.uk/>

I.3) Communication

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

<https://www.westofengland-ca.gov.uk/>

Additional information can be obtained from the above-mentioned address

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

Green Growth West Impact Fund - Fund Management - Market Engagement

II.1.2) Main CPV code

- 66100000 - Banking and investment services

II.1.3) Type of contract

Services

II.1.4) Short description

Market engagement by the West of England Combined Authority to advise and engage with the market ahead of a Financial Conduct Authority (FCA) Alternative Investment Fund Manager (AIFM) appointment by competitive Invitation to Tender (ITT) to establish and administer the West of England Combined Authority proposed Green Growth West Impact Fund.

II.1.6) Information about lots

This contract is divided into lots: No

II.2) Description

II.2.3) Place of performance

NUTS codes

- UKK - South West (England)

II.2.4) Description of the procurement

The West of England Combined Authority will be holding an online market engagement event, prior to release of the invitation to tender, on the 13th November 2024 for interested parties to understand more detail around the requirement to procure an appropriately qualified and experienced AIFM.

Parties wishing to register to attend the market engagement event should register interest with Angel Prado at angel.prado@westofengland-ca.gov.uk.

Details of the requirement are shown below:

The West of England Combined Authority (MCA) is seeking to launch a £100m Green Growth West Impact Fund (GGWIF) seed capitalized by the MCA with £10m as a cornerstone investor. GGWIF has been designed to assist with the tackling of ambitious goals set out in its 2023 Climate and Ecological Strategy and Action Plan, by generating significant environmental, social and economic impacts while preserving and amplifying the Combined Authority's capital.

This MCA is seeking to procure an appropriately qualified and experienced AIFM to go to market and raise matching capital from significant external public and importantly, private investors, aiming at a 10x multiple of the Combined Authority's impact.

The MCA requires the appointed AIFM to be able to demonstrate the following attributes as part of the procurement process:

1. A competitive / market standard fees and fund structure
2. A Track record (above the median/ top quartile for benchmark funds) of previous funds
3. A strong experienced proven management team
4. The ability to demonstrate evidence of a sound investment strategy with projected return (financial and impact) exceeding what would normally be expected in the sector context
5. A visible pipeline and clear origination strategy
6. Evidence of high quality performing underlying assets for existing funds
7. Evidence of of access to a strong investor base and significant fund-raising experience
8. Evidence of strong governance and management systems in

place

9. ESG / Impact reporting experience at a regulated fund

reporting level

10. A commitment to work with the MCA Grant funded BBRC

Investment Readiness Advisory Service (IRAS) as illustrated 1

Terms & Conditions of the Appointment:

- Anticipated AIFM appointment Date : Q1 2025
- Anticipated First Close Q2 2025
- Target first Close Assets Under Management (AUM) : (£60m)
- Anticipated Final Close Q1 2026
- Target Final Close Assets under Management(AUM) : (£100m)
- Fund Deployment Phase : Q2 25 - Q2 2030
- Fund Duration: 12 years with the potential (subject to contract) to extend by 3 years
- Target yield 6-8% after all Annual Management Fees are accounted for, excluding establishment fees (to be determined by competitive ITT)
- Target Debt to Equity ratio: A minimum of 70% Debt and a maximum of 30% Equity
- A minimum of a 2% AIFM commitment of target final close AUM

The MCA is seeking to appoint a suitably qualified AIFM for the duration of the fund

Additional Performance Criteria:

The MCA appointed AIFM will be required to provide Investment Committee rigour and regulatory compliance, plus be expected to bring considerable infrastructure investing technical knowledge, and experience from across the UK. In addition, the AIFM will directly (and in partnership with the MCA Grant funded BBRC Investment Readiness Advisory Service 1) carry out the role of on-the-ground investment origination, due diligence and transaction structuring, preparing cases for Investment Committee and closing approved deals, producing reporting data, and retaining a close relationship with the investors.

The AIFM is expected to work closely with the IRAS as a source of investment origination, and there will be clear segregation of duties between the work of the IRAS and the regulated activities of the Fund1.

II.2.14) Additional information

Parties wishing to register to attend the market engagement event should register interest with Angel Prado at angel.prado@westofengland-ca.gov.uk.

II.3) Estimated date of publication of contract notice

27 November 2024

Section IV. Procedure

IV.1) Description

IV.1.8) Information about the Government Procurement Agreement (GPA)

The procurement is covered by the Government Procurement Agreement: No

Section VI. Complementary information

VI.3) Additional information

Parties wishing to register to attend the market engagement event should register interest with Angel Prado at angel.prado@westofengland-ca.gov.uk.