

This is a published notice on the Find a Tender service: <https://www.find-tender.service.gov.uk/Notice/000573-2021>

Award

Deed of Variation to Lease for Riviera International Conference Centre

Torbay Council

F15: Voluntary ex ante transparency notice

Notice identifier: 2021/S 000-000573

Procurement identifier (OCID): ocds-h6vhtk-028991

Published 12 January 2021, 12:44pm

Section I: Contracting authority/entity

I.1) Name and addresses

Torbay Council

Torbay Council Town Hall, Castle Circus

Torquay

TQ1 3DR

Contact

Miss Tracey Field

Email

tracey.field@torbay.gov.uk

Telephone

+44 1803208391

Country

United Kingdom

NUTS code

UKK42 - Torbay

Internet address(es)

Main address

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

Buyer's address

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

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**

Deed of Variation to Lease for Riviera International Conference Centre

Reference number

DN375675

II.1.2) Main CPV code

- 55000000 - Hotel, restaurant and retail trade services

II.1.3) Type of contract

Services

II.1.4) Short description

On 25 July 2019 Torbay Council awarded a lease for the operation of the Riviera International Conference Centre (RICC) to Parkwood Leisure Ltd, with the intention that Parkwood Leisure Ltd would take over operation of the RICC on 01 April 2020. This notice relates to changes in the lease arrangements which were not included in the original procurement and that have been brought about as a direct result of the impact of the COVID-19 pandemic.

II.1.6) Information about lots

This contract is divided into lots: No

II.1.7) Total value of the procurement (excluding VAT)

Value excluding VAT: £830,000

II.2) Description

II.2.2) Additional CPV code(s)

- 55000000 - Hotel, restaurant and retail trade services
- 71000000 - Architectural, construction, engineering and inspection services
- 92000000 - Recreational, cultural and sporting services

II.2.3) Place of performance

NUTS codes

- UKK42 - Torbay

II.2.4) Description of the procurement

On 25 July 2019 Torbay Council awarded a lease for the operation of the Riviera International Conference Centre (RICC) to Parkwood Leisure Ltd, with the intention that Parkwood Leisure Ltd would take over operation of the RICC on 01 April 2020. In March 2020, the Council and Parkwood Leisure Ltd had a completed lease in readiness for signing ahead of the 1st April 2020; setting out all the commercial terms along with the capital investment to

be delivered in 2020 and 2021. Due to restrictions imposed in response to the pandemic the RICC was closed and signing of the lease was deferred until such time as it could be agreed by both parties that Parkwood Leisure Ltd could take over its operation.

The Council and Parkwood Leisure Limited have agreed that the originally proposed twenty five year lease will go ahead from 01 April 2021 and this will remain the basis for the medium to long term future of this partnership. However, in order to capture and address the impact of Covid-19 the Council intends to enter into a short term deed of variation with Parkwood Leisure Ltd, subject to approval through the Council budget setting process. This deed of variation will cover a financial support package that will be in place for the first twenty four months of the lease, which will be capped at approximately £830,000. This funding is being provided to enable Parkwood Leisure Ltd to move the RICC from the deficit position that has been created during the pandemic, in order to ensure the long term sustainability and viability of the business. It is expected that the support package will be made through the payment of a fixed fee quarterly in advance.

II.2.11) Information about options

Options: Yes

Description of options

The financial recovery of the RICC will be subject to ongoing monitoring to establish whether at the end of the 24 month period the business has recovered from COVID-19 to a level acceptable to both parties and that there is confidence this will continue. In the event this is not the case, taking into consideration the level of uncertainty surrounding the recovery phase of the pandemic and the impact of any potential future lockdowns, the Council may need to consider further financial intervention.

II.2.13) Information about European Union Funds

The procurement is related to a project and/or programme financed by European Union funds: No

Section IV. Procedure

IV.1) Description

IV.1.1) Type of procedure

Negotiated without a prior call for competition

- The works, supplies or services can be provided only by a particular economic operator for the following reason:
 - absence of competition for technical reasons
- Extreme urgency brought about by events unforeseeable for the contracting authority

Explanation:

The Council and Parkwood Leisure Ltd were in the process of finalising the lease when the first national COVID-19 lockdown commenced. In accordance with government guidance the RICC ceased operation whilst restrictions were in place. Due to uncertainty of the date for re-opening and the cancellation of booked conferences/events signing of the lease was stalled. In June 2020 the Council assumed responsibility for the RICC management company to provide some surety for staff, whilst options for the RICC's future were explored:

1) Parkwood Leisure Ltd take over the lease and commence operating the RICC with the addition of a short term agreement to provide funding to support recovery. Parkwood Leisure Ltd.'s tender submission provided a sound basis for negotiation, offering an expedient solution and reducing risk to staff and the business.

2) Retender for an operator. Market uncertainty in relation to post COVID-19 recovery and timescales for putting new arrangements in place would increase the risk to staff, extend the time for the RICC to recover and impact on the local economy.

3) Council continue to manage the RICC. The Council's lack of experience and expertise in this specific area would increase the risk to staff, extend the time for the RICC to recover and impact on the local economy

4) Close the RICC. This would put all of the staff at RICC at risk and have a significant/long term impact on the local economy.

Options 2 and 3 would be further considered should agreement with Parkwood Leisure Ltd not be reached.

The Council entered into negotiation with Parkwood Leisure Ltd on the basis set out in II.2.4 above. Subject to the outcome of the negotiations and approval through Council governance processes, the Council intends to enter into a short term agreement with Parkwood Leisure Ltd, with a view to moving to a lease only arrangement once recovery has been established. The Council would enter into agreement under clauses 2(b)(ii) and 2(c) of Article 32 Use of the negotiated procedure without prior publication of Directive 2014/24/EU. The justification under clause 2(b)(ii) is that Parkwood Leisure Ltd was the successful economic operator under a Competitive Dialogue Procedure as outlined within Article 30 of the Directive (2014/24/EU) and implemented in the UK by The Public Contracts Regulations 2015 (SI 2015/102). The Council received two bids through this tender process, the second bid being rejected as non-compliant. This meant Parkwood Leisure Ltd was the only credible option in terms of enabling the re-opening of the RICC in a timely manner, minimising the risk of job losses or complete closure of the site. They have a sound track record in operating similar facilities and demonstrated through the procurement process and subsequent renegotiation that they are in a position to take on operation of the site within a reasonable timescale. The justification under clause 2(c) is that neither the Council nor Parkwood Leisure Ltd could have foreseen the outbreak of Coronavirus or the impact it would have on all aspects of everyday life. The Council had undertaken a compliant procurement process to appoint Parkwood Leisure Ltd, but the requirement to close the RICC and uncertainty around timescales for re-opening have impacted on their business plan for the site. The closure will result in a significant reduction in income including future conference bookings, putting at risk the ability for any organisation to effectively operate the RICC, resulting in its closure and loss of jobs for all staff. This risk would increase with any delay in reaching an agreement with an economic operator to take on the lease. The RICC plays a significant role in the visitor/tourism economy of Torbay and its effective operation is vital to rebuilding that economy. To safeguard as many jobs as possible and support the local economy through operating the RICC, the Council considers there is an urgent need to commence rebuilding the business.

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.2.1) Previous publication concerning this procedure

Notice number: [2019/S 162-398860](#)

Section V. Award of contract/concession

Contract No

TBS3018

Title

Deed of Variation to Lease for Riviera International Conference Centre

A contract/lot is awarded: Yes

V.2) Award of contract/concession

V.2.1) Date of conclusion of the contract

3 December 2020

V.2.2) Information about tenders

The contract has been awarded to a group of economic operators: No

V.2.3) Name and address of the contractor/concessionaire

Parkwood Leisure Ltd

Preston

Country

United Kingdom

NUTS code

- UKD4 - Lancashire

The contractor/concessionaire is an SME

No

V.2.4) Information on value of contract/lot/concession (excluding VAT)

Total value of the contract/lot/concession: £830,000

Section VI. Complementary information

VI.4) Procedures for review

VI.4.1) Review body

Torbay Council Legal Services

Torquay Town Hall, Castle Circus

Torquay

TQ1 3DR

Country

United Kingdom