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Award

## **The Forum, King's Quarter, Gloucester**

Gloucester City Council

F15: Voluntary ex ante transparency notice

Notice identifier: 2021/S 000-000825

Procurement identifier (OCID): ocds-h6vhtk-028a8f

Published 15 January 2021, 9:31am

### **Section I: Contracting authority/entity**

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

Gloucester City Council

Gloucester City Council, North Warehouse, The Docks

Gloucester

GL1 2FB

#### **Contact**

Mr Philip Ardley

#### **Email**

[Philip.Ardley@gloucester.gov.uk](mailto:Philip.Ardley@gloucester.gov.uk)

#### **Country**

United Kingdom

## **NUTS code**

UKK13 - Gloucestershire

## **Internet address(es)**

Main address

<https://www.gloucester.gov.uk>

## **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**

The Forum, King's Quarter, Gloucester

Reference number

DN520087

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

- 70112000 - Development of non-residential real estate

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

Services

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

The Council will enter into a development funding agreement (DFA) with RG17 Limited and

Reef Estates Limited (which are connected organisations) for a mixed use, urban campus known as King's Quarter. The Council and Reef Estates Limited both have land interests in the site. They will deliver retail, leisure and office space, dwellings and a hotel together with a multi-storey car park. On completion of the development Reef Estates Limited will transfer its land interest to the Council. The development will be undertaken in 2 phases. Works required to deliver the development (and a number of consultancy services) will be procured in accordance with an OJEU or UK Find a Tender procedures or under Frameworks. Reef/RG17 will also provide management and maintenance services for 5 years. RG17 and Reef (or a group member) will take a 5 year lease of incubator offices and provide a guarantee to the Council in connection with rent from the hotel.

### **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: £94,000,000

## **II.2) Description**

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

- 70111000 - Development of residential real estate
- 70130000 - Letting services of own property
- 70220000 - Non-residential property renting or leasing services
- 70332000 - Non-residential property services

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

NUTS codes

- UKK13 - Gloucestershire

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

The Council, RG17 Limited and Reef Estates Limited consider their arrangement to be a joint endeavour to work together to revitalise an area of the City Centre. An element of the arrangements includes an obligation on RG17 Limited / Reef Estates Limited to lease the proposed incubator office space for 5 years and further to provide a guarantee to the Council

in relation to rental income from the proposed hotel.

In order to be transparent the Council has listed the total value at £94,000,000 (Indexed) – some 86% of that value will be subject to public procurement. OJEU procurement or Frameworks (for Phase 1) and after 31st December 2020 under the UK's 'Find a Tender Procedure' or existing OJEU Frameworks which the Council has access to.

The development will be delivered in two Phases. Phase 1 is a site in Market Parade Gloucester City Centre and has a value of approximately £8 million (Indexed). This will deliver retail and residential space.

Phase 2 will be centred at the Forum, King's Quarter site Gloucester City Centre and has a value of approximately £86 million (indexed). This phase will deliver office, hotel and leisure space, together with a multi-storey car park. Phase 2 will be subject to a viability test which may result in changes to the uses and size of buildings delivered or even that Phase 2 does not proceed. The medium and long term economic impact of Covid19 on urban spaces is still uncertain.

The parties may enter into ancillary agreements with each other and/or with those third parties which they procure to provide development services/works.

The parties also contemplate entering into lease and guarantee agreements with each other in order to give effect to RG17 Limited/Reef Estates Limited's commitment to lease the proposed incubator office space and provide a guarantee to the Council in relation to rental income from the proposed hotel.

RG17 Limited and Reef Estates Limited are part of the same group of companies and it is possible (though not expected) that another of their group companies could be involved in these arrangements.

As part of the arrangements RG17 Limited/Reef Estates Limited will also provide general management and maintenance services for a period of 5 years.

### **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

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## Section IV. Procedure

### IV.1) Description

#### IV.1.1) Type of procedure

Award of a contract without prior publication of a call for competition in the cases listed below

- The procurement falls outside the scope of application of the regulations

Explanation:

Award of a contract without prior publication of a call for competition in the Official Journal of the European Union in the cases listed below

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The procurement falls outside the scope of application of the directive

Explanation:

The Council relies on the ground provided in Article 32(2)(b)(iii) of Directive 2014/24/EU and Regulation 32(2)(b)(iii) of the Public Contracts Regulations 2015 as this contract concerns assets which are subject to exclusive rights. Reef Estates Limited have an option over part of the land whereupon the development will take place. Accordingly, the agreement between the Council and Reef Estates Limited cannot be entered into with anyone else. The rights held by Reef Estates Limited/RG17 Limited are exclusive in nature. The Council would not be entering into an agreement to undertake this development but for the opportunity brought to it by RG17 Limited / Reef Estates Limited.

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

The procurement is covered by the Government Procurement Agreement: No

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## **Section V. Award of contract/concession**

### **Title**

The Forum, King's Quarter

A contract/lot is awarded: Yes

### **V.2) Award of contract/concession**

#### **V.2.1) Date of conclusion of the contract**

13 January 2021

#### **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**

RG17 LIMITED

51 Welbeck Street

London

W1G 9HL

Country

United Kingdom

NUTS code

- UKI32 - Westminster

National registration number

10721191

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: £94,000,000

### **V.2.5) Information about subcontracting**

The contract/lot/concession is likely to be subcontracted

Value or proportion likely to be subcontracted to third parties

Proportion: 86 %

Short description of the part of the contract to be subcontracted

The contract/lot/concession is likely to be subcontracted

Value or proportion likely to be subcontracted to third parties

Value excluding VAT: 81 000 000.00 GBP

Proportion: 86 %

Short description of the part of the contract to be subcontracted:

The Council and its partners will procure construction works (and allied consultancy services) in accordance with an OJEU procedure or from an OJEU procured framework agreement (for Phase 1 - procurement has commenced) or using UK Find a Tender procedures for procurements which commence after 31 December 2020.

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## **Section VI. Complementary information**

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

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

Royal Courts of Justice

Starnd

London

WC2A 2LL

Country

United Kingdom

**VI.4.2) Body responsible for mediation procedures**

Royal Courts of Justice

Strand

London

WC2A 2LL

Country

United Kingdom

**VI.4.4) Service from which information about the review procedure may be obtained**

Royal Courts of Justice

Strand

London

WC2A 2LL

Country

United Kingdom