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Contract

The Forum, King's Quarter, Gloucester

Gloucester City Council

F03: Contract award notice

Notice identifier: 2021/S 000-003682

Procurement identifier (OCID): ocids-h6vhtk-0295ca

Published 24 February 2021, 12:00pm

Section I: Contracting authority

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

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

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 R Blue Regen GL Limited and Reef Estates Limited (which are connected organisations) for a mixed use, urban campus known as King's Quarter. The Council and a group company of Reef Estates Limited (R Blue Capital Ltd) 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 a group company of 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/R Blue Regen GL Limited will also provide management and maintenance services for 5 years. R Blue Regen GL Limited 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, R Blue Regen GL 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 R Blue Regen GL Limited / Reef Estates Limited (and or a group company) 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. The Council and group company of Reef Estates Ltd (R Blue Capital Ltd) both have land interests in the site and it is the intention of Reef Estates Ltd to ultimately transfer their land interests to the Council.

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 R Blue Regen GL Limited / Reef Estates (and or a group company) commitment to lease the proposed incubator office space and provide a guarantee to the Council in relation to rental income from the proposed hotel.

R Blue Regen GL 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 R Blue Regen GL Limited/Reef Estates Limited will also provide general management and maintenance services for a period of 5 years.

II.2.5) Award criteria

Cost criterion - Name: Cost / Weighting: 100

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

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:

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 (or a group company) have an option over part of the land whereupon the development will take place. Accordingly, the agreement between the Council and Reef Estates (or a group company) cannot be entered into with anyone else. The rights held by Reef Estates Limited/R Blue Regen GL 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 R Blue Regen GL Limited / Reef Estates Limited. For the avoidance of doubt, those aspects of the joint endeavour that the Council considers are properly subject to the Public Contracts Regulations 2015 will be subject to public procurement.

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

The procurement is covered by the Government Procurement Agreement: No

IV.2) Administrative information

IV.2.1) Previous publication concerning this procedure

Notice number: [2021/S 001-000825](#)

Section V. Award of contract

A contract/lot is awarded: Yes

V.2) Award of contract

V.2.1) Date of conclusion of the contract

4 February 2021

V.2.2) Information about tenders

Number of tenders received: 1

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

V.2.3) Name and address of the contractor

R Blue Regen GL Ltd and Reef Estates Ltd

51 Welbeck Street

London

W1G 9HL

Country

United Kingdom

NUTS code

- UKI32 - Westminster

National registration number

13163289 and 04302220

The contractor is an SME

Yes

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

Total value of the contract/lot: £94,000,000

V.2.5) Information about subcontracting

The contract is likely to be subcontracted

Value or proportion likely to be subcontracted to third parties

Value excluding VAT: £81,000,000

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.

Section VI. Complementary information

VI.4) Procedures for review

VI.4.1) Review body

Royal Courts of Justice

Strand

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