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Tender

Joint Venture for Development of Multiple Sites in Suffolk

Suffolk County Council

F02: Contract notice

Notice identifier: 2021/S 000-004779

Procurement identifier (OCID): ocds-h6vhtk-029a1c

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Section I: Contracting authority

I.1) Name and addresses

Suffolk County Council

Endeavour House, Russell Road

IPSWICH

IP1 2BX

Email

martin.jennings@suffolk.gov.uk

Telephone

+44 1473260450

Country

United Kingdom

NUTS code

UKH14 - Suffolk

Internet address(es)

Main address

www.suffolksourcing.uk

I.3) Communication

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

www.suffolksourcing.uk

Additional information can be obtained from the above-mentioned address

Tenders or requests to participate must be submitted to 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**

Joint Venture for Development of Multiple Sites in Suffolk

Reference number

CD1286

II.1.2) Main CPV code

- 70000000 - Real estate services

II.1.3) Type of contract

Services

II.1.4) Short description

Suffolk County Council (the 'Council') has the ambition of delivering residential development in Suffolk. In order to realise this ambition, the Council is seeking to procure a private sector partner ('PSP') with whom to establish a 50:50 joint venture ('JV') development vehicle. The JV will be responsible for delivering multiple residential development schemes throughout Suffolk. The Council will commit sites to the JV for development and may also provide funding via loans or equity contributions. It is anticipated that the PSP will provide funding and services to the JV. Such services may include (amongst others) construction services and development management services. Following development, individual residential units or development parcels will be marketed and sold. Profits from the JV will be distributed to the Council and the PSP based on their equity holdings.

II.1.5) Estimated total value

Value excluding VAT: £750,000,000

II.1.6) Information about lots

This contract is divided into lots: No

II.2) Description**II.2.2) Additional CPV code(s)**

- 45000000 - Construction work
- 70110000 - Development services of real estate
- 70332000 - Non-residential property services
- 71500000 - Construction-related services
- 70120000 - Buying and selling of real estate

- 70331000 - Residential property services
- 70333000 - Housing services

II.2.3) Place of performance

NUTS codes

- UKH14 - Suffolk

Main site or place of performance

Suffolk

II.2.4) Description of the procurement

The Council has the ambition of delivering residential development in Suffolk, in order to promote economic development, enhance vitality, and secure new homes and facilities for local residents and businesses. The Council's overarching project vision is to deliver high quality development that supports a thriving county and that serves the needs of residents and businesses, including new community facilities and affordable housing, fostering a sense of local ownership. In order to realise these ambitions, the Council is seeking to procure a PSP with whom to establish a 50:50 JV development vehicle. The Council and the PSP's respective interests in the JV will be established through the procurement process, however it is envisaged that the members of the JV will each hold an equal equity interest and will jointly manage it and its assets. The Council's preferred legal and governance structure for the JV is set out in the draft Heads of Terms (that are available on the Portal). Through participating in the JV, the PSP will be responsible for helping the Council deliver its key objectives. These objectives are set out in full in the draft Heads of Terms. The Council will contribute a number of sites to the JV for development. The initial sites are North of Lowestoft Garden Village, West Mildenhall, Newmarket St Felix former middle school, West Row, and Bramford development sites (the 'Cat A Sites'). The Council has also identified a number of subsequent sites which may come forward in the future. These sites are referred to as the 'Cat B Sites'. In addition, a number of yet unidentified sites that are currently (or may subsequently become) owned by the Council may be brought forward in the future (the 'Cat C Sites'). Bidders should refer to the draft Heads of Terms and draft Invitation to Participate in Dialogue ('ITPD') for further information in relation to these sites. In addition to the development of the sites, the Council requires the right to call-off construction works and/or services from the JV, in relation to a number of potential developments on land that is currently or may subsequently become owned by the Council (the 'Community Facilities'). The Council's proposed legal delivery structure for the Cat A Sites is set out in the draft Heads of Terms. The Council envisages that alternative arrangements may be required in respect of the Cat B Sites, Cat C Sites and for the development of any Community Facilities. The legal structure in the draft heads of terms is intended to provide sufficient

flexibility to allow the Council and the PSP to decide upon the most appropriate delivery structure for future developments, taking into account any site-specific requirements at the relevant time. This may include:- sites being transferred by the Council to the JV (or a subsidiary of the JV) for development,- sites being retained by the Council, with the JV or the PSP providing construction services directly to the Council, or- alternative delivery arrangements being agreed between the Council/JV and PSP from time to time, in line with the governance mechanisms set out in the heads of terms. The Council envisages the PSP providing cash to the JV as an equity contribution with the Council's equity contribution being met through its land contributions. The Council also envisages the PSP providing pre-construction finance and other working capital by way of loans. The Council does, however, reserve the right to also contribute funding to the JV, whether by way of loan or further equity contributions. Additional debt financing will be sought from the markets. The Council anticipates the PSP providing a number of services to the JV and/or the Council which may include (but are not limited to) development management and/or construction services. The PSP will receive fees for the provision of these services based on incentivised targets

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: £750,000,000

II.2.7) Duration of the contract, framework agreement or dynamic purchasing system

Duration in months

180

This contract is subject to renewal

Yes

Description of renewals

The Council anticipates discussing with bidders, during the competitive dialogue procedure the possibility of being granted option(s) to extend the contract period in a number of periods up to an overall maximum extension of 10 years.

II.2.9) Information about the limits on the number of candidates to be invited

Envisaged number of candidates: 5

Objective criteria for choosing the limited number of candidates:

As set out in the Council's Selection Questionnaire

II.2.10) Information about variants

Variants will be accepted: Yes

II.2.11) Information about options

Options: Yes

Description of options

The Council anticipates discussing with Bidders, during the competitive dialogue procedure the possibility of being granted option(s) to extend the contract period in a number of periods up to an overall maximum extension of 10 years.

II.2.13) Information about European Union Funds

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

II.2.14) Additional information

The procurement will be conducted in accordance with the Public Contracts Regulations 2015 (as amended) and any applicable Procurement Policy Notices, using the competitive dialogue procedure as set out in Regulation 30 of the Public Contracts Regulations 2015.

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

Selection criteria as stated in the procurement documents

III.1.2) Economic and financial standing

Selection criteria as stated in the procurement documents

III.1.3) Technical and professional ability

Selection criteria as stated in the procurement documents

III.2) Conditions related to the contract

III.2.2) Contract performance conditions

As set out in the selection questionnaire and draft invitation to Participate in Dialogue ('ITPD'), the Council envisages requiring parent company guarantees or other forms of suitable security from bidders. Furthermore, where bidders are bidding as part of a consortium, the Council reserves the right to require bidders to assume a particular legal form in order to participate in the project (e.g. establishing a Special Purpose Vehicle ('SPV') to act as the private sector member of the JV).

Section IV. Procedure

IV.1) Description

IV.1.1) Type of procedure

Competitive dialogue

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.1.8) 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

9 April 2021

Local time

12:00pm

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

30 April 2021

IV.2.4) Languages in which tenders or requests to participate may be submitted

English

Section VI. Complementary information

VI.1) Information about recurrence

This is a recurrent procurement: No

VI.3) Additional information

The estimated contract value of this opportunity is between £500,000,000 GBP and £750,000,000 GBP. This figure is based on the estimated gross development value for the Cat A sites. The Council envisages a contract period of approximately 15 years with an option to extend the contract period in a number of periods up to an overall extension of 10 years. The actual period will be determined by best value considerations during the procurement procedure. Organisations must register their interest on the Council's Procurement Portal (www.suffolksourcing.uk) (the 'Portal') in order to receive any changes or notifications issued by the Council during this tender process. The Council will not be held responsible for lack of communication to any organisation who does not register their interest. Clarification questions must also be sent through the Portal. For more information about this opportunity please visit the Portal. The Draft Heads of Terms, Draft Invitation to Participate in Dialogue ('ITPD') and Draft Invitation to Submit Outline Solutions ('ISOS') are being issued at this stage via the Portal to explain the general approach to dialogue on this project and have been included for bidders' information only at this stage and do not amount to an invitation to commence dialogue and/or to submit an outline solution. The Council will evaluate bidders' responses to the selection questionnaire and intends to shortlist up to 5 bidders in accordance with the process set out in the selection questionnaire. The Council then intends to issue the ISOS to those bidders that have been selected to be invited to participate in dialogue and submit outline solutions in accordance with the ITPD and ISOS. The Council reserves the right not to award the contract in whole or in part, to cancel or amend the tender process and does not bind itself to accept any tender. The Council shall not be liable under any circumstances for any costs, charges or expenses incurred by any bidder or prospective bidder in responding to this notice or in taking part in this procurement process. Advisors to the procurement procedure have been Concertus Design and Property Consultants, Avison Young and Pinsent Masons.

VI.4) Procedures for review

VI.4.1) Review body

Royal Courts of Justice

Strand

London

WC2A 2LL

Country

United Kingdom

VI.4.3) Review procedure

Precise information on deadline(s) for review procedures

Review Procedures are as set out in the Public Contracts Regulations 2015. Proceedings under the Public Contracts Regulations 2015 are time limited, and any such proceedings must be brought in the High Court of England and Wales. Suffolk County Council incorporates a minimum 10 calendar day standstill period from the point at which information on the award of contract is communicated to tenderers.