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Award

## **Basildon University Hospital main entrance and retail facility**

Mid and South Essex NHS Foundation Trust

F15: Voluntary ex ante transparency notice

Notice identifier: 2021/S 000-005723

Procurement identifier (OCID): ocids-h6vhtk-029dcc

Published 22 March 2021, 10:22am

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

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

Mid and South Essex NHS Foundation Trust

Nethermayne

Basildon

SS165NL

#### **Contact**

Tracey Leforte

#### **Email**

[tracey.leforte@southend.nhs.uk](mailto:tracey.leforte@southend.nhs.uk)

#### **Telephone**

+44 1702508120

#### **Country**

United Kingdom

**NUTS code**

UKH37 - Essex Thames Gateway

**Internet address(es)**

Main address

<http://www.mse.nhs.uk>

**I.4) Type of the contracting authority**

Body governed by public law

**I.5) Main activity**

Health

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**Section II: Object**

**II.1) Scope of the procurement**

**II.1.1) Title**

Basildon University Hospital main entrance and retail facility

Reference number

CA7723

**II.1.2) Main CPV code**

- 45000000 - Construction work

**II.1.3) Type of contract**

Works

**II.1.4) Short description**

IV Mid and South Essex NHS Foundation Trust ("MSEFT") intends to enter into an option agreement and ground lease with Noviniti Dev Co 8 Ltd ("Noviniti") in respect of a new

main entrance and retail development at Basildon University Hospital, Basildon ("the Hospital"). MSEFT has structured the contractual arrangement as a land transaction exempt from the Public Contracts Regulations 2015.

#### **II.1.6) Information about lots**

This contract is divided into lots: No

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

Lowest offer: £6,500,000 / Highest offer: £8,000,000 taken into consideration

### **II.2) Description**

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

- 45214710 - Entrance hall construction work
- 45215100 - Construction work for buildings relating to health
- 45215140 - Hospital facilities construction work
- 55900000 - Retail trade services

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

NUTS codes

- UKH37 - Essex Thames Gateway

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

MSEFT intends to enter into an option agreement and Ground Lease with Noviniti in respect of a new main entrance and retail development at the Hospital. MSEFT has structured the contractual arrangement as a land transaction exempt from the Public Contracts Regulations 2015.

#### **II.2.11) Information about options**

Options: 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:

The subject of this notice is an agreement to be entered into between MSEFT and Noviniti for the grant of an option entitling Noviniti to call for the grant of a 35 years Ground Lease of part of MSEFT's freehold land at the Hospital.

The area which will be subject to the option is defined within the option agreement and the option period will run for an initial period of 39 weeks (subject to extension).

MSEFT has had valuation advice and will grant the Ground Lease at a premium which reflects market value.

If Noviniti exercises the option and calls for the grant of the Ground Lease that Ground Lease will be for a period

of up to 35 years. The Ground Lease is subject to break clauses in favour of MSEFT after 2 years and again at an agreed date reflecting the 30th anniversary of practical completion of the Potential Development (as defined below) by Noviniti.

The Ground Lease anticipates that Noviniti may choose (but with no obligation to do so) to undertake a Permitted Alteration (in accordance with a Licence for Alterations that may be entered into) of a building extension at the Hospital for retail and ancillary uses (the "Potential Development").

The detail of the Potential Development will have been agreed between MSEFT and Noviniti prior to the grant of the option agreement. MSEFT has a right to terminate the Ground Lease if Noviniti has not commenced the works comprising the Potential Development by the date 2 years after the date of the Ground Lease.

MSEFT will have obligations to use reasonable endeavours to assist Noviniti in dealing with matters relating to the planning permission for the Potential Development including entering into third party agreements necessary to facilitate the Potential Development.

The exercise of the option by Noviniti to call for the Ground Lease does not trigger any obligation on Noviniti to undertake or on MSEFT to procure the Potential Development. If Noviniti decides to undertake the Potential Development, (and if MSEFT subsequently so decides) Noviniti and MSEFT may enter into an agreement for lease. The agreement for underlease would allow Noviniti to grant an underlease of the completed development to a third party operator for part of the term of the Ground Lease and a reversionary underlease to MSEFT for the remainder of the term of the Ground Lease. If that agreement is reached MSEFT anticipates that MSEFT, Noviniti and any third party operator will enter into further documents including the agreement for lease, a licence for alterations and underleases of the completed development.

#### **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**

A contract/lot is awarded: Yes

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

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

22 March 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**

Noviniti Dev Co 8 Ltd

The Stables, Churchfield Farm, Harley Way

Peterborough

PE8 5AU

Email

[jonathan.houlston@noviniti.co.uk](mailto:jonathan.houlston@noviniti.co.uk)

Country

United Kingdom

NUTS code

- UK - United Kingdom

The contractor/concessionaire is an SME

No

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

Lowest offer: £6,500,000 / Highest offer: £8,000,000 taken into consideration

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## **Section VI. Complementary information**

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

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

Royal Courts of Justice

The Strand

London

WC2A 2LL

Country

United Kingdom