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Award

Development at Friar's Close, Bear Lane and 1 and 3 Burrell Street, London

The Riverside Group Limited and Riverside Regeneration (Southwark) Limited

F15: Voluntary ex ante transparency notice

Notice identifier: 2022/S 000-006313

Procurement identifier (OCID): ocids-h6vhtk-031f42

Published 8 March 2022, 2:21pm

Section I: Contracting authority/entity

I.1) Name and addresses

The Riverside Group Limited and Riverside Regeneration (Southwark) Limited

2 Estuary Boulevard, Speke

Liverpool

L24 8RF

Contact

Ben Mansell

Email

Ben.Mansell@riverside.org.uk

Telephone

+44 7969610709

Country

United Kingdom

NUTS code

UKI - London

Internet address(es)

Main address

www.riverside.org.uk

I.4) Type of the contracting authority

Body governed by public law

I.5) Main activity

Housing and community amenities

Section II: Object

II.1) Scope of the procurement

II.1.1) Title

Development at Friar's Close, Bear Lane and 1 and 3 Burrell Street, London

II.1.2) Main CPV code

- 45000000 - Construction work

II.1.3) Type of contract

Works

II.1.4) Short description

The Project is the carrying out of a mixed tenure housing development on the Site at 1 to 26 Friar's Close, Bear Lane and 1 and 3 Burrell Street, through a joint venture arrangement. Subject to detailed design / planning, it is anticipated that the development will comprise the construction of between 80 and 120 new homes. The affordable/ private unit split has yet to be fully determined, though as a minimum the development will involve the re-provision of 28 existing affordable units on the Site.

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: £30,000,000 / Highest offer: £50,000,000 taken into consideration

II.2) Description

II.2.3) Place of performance

NUTS codes

- UKI - London

Main site or place of performance

1 to 26 Friar's Close, Bear Lane and 1 and 3 Burrell Street, Southwark, London

II.2.4) Description of the procurement

The Project is the carrying out of a mixed tenure housing development on the Site at 1 to 26 Friar's Close, Bear Lane and 1 and 3 Burrell Street, through a joint venture arrangement. Subject to detailed design / planning, it is anticipated that the development will comprise the construction of between 80 and 120 new homes. The affordable/ private unit split has yet to be fully determined, though as a minimum the development will involve the re-provision of 28 existing affordable units on the Site.

The joint venture contractual arrangements between the parties will be structured as follows:

- (i) Riverside Regeneration (Southwark) Limited (RRS) (an entity within the same group as The Riverside Group Limited (RGL)) and Mount Anvil (Friars Close) Limited will form a joint venture entity (the "LLP") on a 50/50 basis pursuant to the terms of an LLP Agreement;
- (ii) RGL will transfer a long leasehold interest in the Site to the LLP pursuant to the terms of an Agreement for Lease;
- (iii) The LLP will award a Construction Contract to Mount Anvil Limited for the carrying out of the construction works on the Site. The construction works will consist of the construction of the affordable and private sale units, and associated infrastructure works. The estimated value of the Construction Contract is between £20 million and £40 million;
- (iv) The LLP will enter into a Development Management Agreement (DMA) with Mount Anvil (Development Management) Limited. Under the DMA Mount Anvil (Development Management) Limited will provide various development management, planning, sales and marketing services in relation to the development. The estimated value of the DMA is between £1 million and £2 million;
- (v) The LLP will sell the private units that are constructed on the Site on the open market; and
- (vi) RGL will enter into an Affordable Housing Development Agreement with the LLP for the delivery of the affordable housing units that are constructed on the Site. The affordable units will be retained by RGL following completion. The estimated value of the Affordable Housing Development Agreement is between £10 million and £20 million.

II.2.11) Information about options

Options: 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 Contracting Authorities consider that the contractual arrangements referred to in section II.2.4 of this Notice fall outside the scope of the Public Contracts Regulations 2015 (PCR) for the following reasons:

1. The LLP Agreement is an agreement for the establishment, governance and operation of the LLP. It is not a works, services or supply contract for the purposes of the PCR, hence it falls outside of their scope.
2. The Agreement for Lease is an agreement for the disposal of an interest in land, and so is excluded from the scope of the PCR by virtue of Regulation 10(1)(a) of the PCR. It will not place the LLP under a positive and enforceable obligation to develop the Site to a specification prescribed by RGL.
3. The Construction Contract and DMA to be awarded by the LLP fall outside the scope of the PCR because the LLP will not meet the definition of a "body governed by public law" in Regulation 2(1) of the PCR nor, therefore, will it be classified as a "contracting authority" for the purposes of the PCR. This is due to the fact that the LLP will have a commercial character on account of it being a "for profit" entity with general commercial objects which exists for the predominant purpose of maximising profits from the development activities it undertakes.
4. The Affordable Housing Development Agreement is to be awarded by RGL to the LLP pursuant to Regulation 32(2)(b)(iii) of the PCR. Due to an exclusive right which the LLP will have at the point of award of the Agreement (being its leasehold interest in the Site) RGL will only be able to appoint the LLP to deliver the affordable units for it. It will not be in position to procure the delivery of the affordable housing units from any other party.

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

The procurement is covered by the Government Procurement Agreement: Yes

Section V. Award of contract/concession

Contract No

1

Title

LLP Agreement

A contract/lot is awarded: Yes

V.2) Award of contract/concession

V.2.1) Date of conclusion of the contract

8 March 2022

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

Mount Anvil (Friars Close) Limited

London

Country

United Kingdom

NUTS code

- UKI - London

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: £1

Section V. Award of contract/concession

Contract No

2

Title

Agreement for Lease

A contract/lot is awarded: Yes

V.2) Award of contract/concession

V.2.1) Date of conclusion of the contract

8 March 2022

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

The LLP

London

Country

United Kingdom

NUTS code

- UKI - London

The contractor/concessionaire is an SME

Yes

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

Total value of the contract/lot/concession: £2,900,000

Section V. Award of contract/concession

Contract No

3

Title

Construction Contract

A contract/lot is awarded: Yes

V.2) Award of contract/concession

V.2.1) Date of conclusion of the contract

8 March 2022

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

Mount Anvil Limited

London

Country

United Kingdom

NUTS code

- UKI - London

The contractor/concessionaire is an SME

Yes

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

Lowest offer: £20,000,000 / Highest offer: £40,000,000 taken into consideration

Section V. Award of contract/concession

Contract No

4

Title

Development Management Agreement

A contract/lot is awarded: Yes

V.2) Award of contract/concession

V.2.1) Date of conclusion of the contract

8 March 2022

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

Mount Anvil (Development Management) Limited

London

Country

United Kingdom

NUTS code

- UKI - London

The contractor/concessionaire is an SME

Yes

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

Lowest offer: £1,000,000 / Highest offer: £2,000,000 taken into consideration

Section V. Award of contract/concession

Contract No

5

Title

Affordable Housing Development Agreement

A contract/lot is awarded: Yes

V.2) Award of contract/concession

V.2.1) Date of conclusion of the contract

8 March 2022

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

The LLP

London

Country

United Kingdom

NUTS code

- UKI - London

The contractor/concessionaire is an SME

Yes

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

Lowest offer: £10,000,000 / Highest offer: £20,000,000 taken into consideration

V.2.5) Information about subcontracting

The contract/lot/concession is likely to be subcontracted

Short description of the part of the contract to be subcontracted

The affordable housing works to be carried out pursuant to the Affordable Housing Development Agreement will be sub-contracted to Mount Anvil Limited under the Construction Contract.

Section VI. Complementary information

VI.3) Additional information

It is intended that the contractual arrangements referred to in this notice following a minimum 10 day calendar day standstill period starting on the day after this notice is published in the UK Find a Tender Service. The Public Contracts Regulations 2015 (SI 2015 No 102) (as amended) (the Regulations) provide for aggrieved parties who have been harmed or who are at risk of harm by a breach of the Regulations to bring proceedings in the High Court. Any such proceedings must be brought within the limitation period specified by the Regulations according to the remedy sought.

VI.4) Procedures for review

VI.4.1) Review body

High Court

London

Country

United Kingdom

VI.4.3) Review procedure

Precise information on deadline(s) for review procedures

In accordance with Part 3 of the Public Contracts Regulations 2015