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Award

Refurbishment and conditional Disposal of the Seven Sisters, seven social housing large blocks of flats (social housing accommodation), and associated contracts.

Rochdale Boroughwide Housing Limited

F15: Voluntary ex ante transparency notice

Notice identifier: 2023/S 000-023281

Procurement identifier (OCID): ocids-h6vhtk-03ee63

Published 9 August 2023, 4:44pm

Section I: Contracting authority/entity

I.1) Name and addresses

Rochdale Boroughwide Housing Limited

Unique Enterprise Centre, Belfield Road

Rochdale

OL16 2UP

Contact

Steven Hark

Email

steven.hark@rbh.org.uk

Country

United Kingdom

Region code

UKD3 - Greater Manchester

Justification for not providing organisation identifier

Not on any register

Internet address(es)

Main address

www.rbh.org.uk

I.4) Type of the contracting authority

Other type

Registered Housing Association (Not for Profit)

I.5) Main activity

Other activity

Public services - Provision of Social/Affordable Housing

Section II: Object

II.1) Scope of the procurement

II.1.1) Title

Refurbishment and conditional Disposal of the Seven Sisters, seven social housing large blocks of flats (social housing accommodation), and associated contracts.

Reference number

PM-AC.FID5792976

II.1.2) Main CPV code

- 45453100 - Refurbishment work

II.1.3) Type of contract

Works

II.1.4) Short description

RBH owns, manages and operates the Seven Sisters social housing blocks of flats. RBH intends to conditionally dispose of the Seven Sisters to Legal and General Affordable Housing (LGAH).

Prior to the conditional disposal, LGAH will invest heavily in the redevelopment / refurbishment of the Seven Sisters, social housing blocks of flats.

In order for LGAH to protect its investment in the Seven Sisters social housing blocks of flats, RBH will appoint LGAH to project manage the delivery of refurbishment works via a Client Leadership Management Services Contract (CLMS contract).

Within this role LGAH will oversee and monitor the redevelopment/refurbishment of the Seven Sisters social housing flats.

The appointment of the project manager of the redevelopment /refurbishment works and of the contractor to carry out the refurbishment will be made pursuant to a fully compliant regulated procurement process.

The appointment of the refurbishment contractor to carry out the redevelopment /refurbishment works will be made pursuant to a fully compliant regulated procurement process.

The plan is that LGAH will take ownership of the Seven Sisters social housing blocks of flats shortly after the completion of the refurbishment of each block (partial transfer until full transfer of all seven blocks).

LGAH will appoint RBH to project manage and operate the refurbished flats.

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: £58,000,000

II.2) Description

II.2.2) Additional CPV code(s)

- 45453100 - Refurbishment work

II.2.3) Place of performance

NUTS codes

- UKD - North West (England)

Main site or place of performance

UKD3 (Greater Manchester)

II.2.4) Description of the procurement

This procurement is not subject to the Public Contracts Regulations 2015, because of Regulation 4.

RBH, on 4th August 2023, has entered into a time limited (but extendable) exclusivity agreement (EA) with LGAH on the basis of which the parties have agreed a significant redevelopment / refurbishment project of the Seven Sisters (seven large block of social housing flats).

The EA envisages the following five main arrangements (the proposed Arrangements):

1. RBH enters into a conditional sale/transfer agreement of the Seven Sisters to LGAH;
2. RBH appoints directly LGAH to project manage the delivery of the required refurbishment works in respect of the Seven Sisters flats via a Client Leadership Management Services (CLMS) contract. The CLMS Contract is a condition precedent of any funding to be provided by the LGAH;
3. LGAH will procure an Independent Project Monitor (IPM Contract), which is to be a joint appointment between the LGAH and RBH through a call-off from an appropriate and procurement rules compliant Framework Agreement (FA). The IPM contractor will provide the project management of the refurbishment works and will operate under a duty of care to all funders of the project;
4. RBH and LGAH will jointly procure and appoint a contractor to carry out the refurbishment works in respect of the Seven Sisters flats via a Pre-Construction Services Agreement (PCSA) and a JCT Design and Build contract (JCT D&B). The PCSA and the JCT D&B Contracts (together the Construction Contract) will be procured in accordance with the relevant public procurement rules; and
5. LGAH and RBH will enter into a Long-Term Management Agreement (LTMA) under which LGAH (as ultimate landlord of the Seven Sisters) will appoint RBH to manage the

Seven Sisters flats on a long-term basis after the refurbishment works have been completed.

RBH is of the view that the main purpose of the Arrangement is the conditional sale of the Seven Sisters. LGAH will make a significant upfront investment for the redevelopment / refurbishment of the Seven Sisters. The CLMS contract (awarded directly by RBH to LGAH), is considered critical by LGAH to protect its investment. It is for this reason that the CLMS contract is considered to be non-severable (according to Regulation 4 of the Public Contracts Regulations of 2015, as amended (PCR15)) and ancillary to the conditional sale.

The other four arrangements are fully compliant with the relevant public procurement rules/ PCR15. LGAH is not a contracting authority for the purposes of the relevant public procurement rules as it is a Registered (for profit) Housing Provider.

RBH decided ultimately to approach LGAH following a failed procurement process in 2019 and many unsuccessful attempts to generate some market interest for the Seven Sisters which had led RBH to a provisional decision to demolish four out of the Seven Sisters blocks.

II.2.11) Information about options

Options: No

II.2.14) Additional information

This procurement is not subject to the Public Contracts Regulations 2015, because of Regulation 4.

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:

RBH, on 4th August 2023, has entered into a time limited (but extendable) exclusivity agreement (EA) with LGAH on the basis of which the parties have agreed a significant redevelopment / refurbishment project of the Seven Sisters (seven large blocks of social housing flats).

The EA envisages the following five main arrangements (the proposed Arrangements):

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2. RBH appoints directly LGAH to project manage the delivery of the required refurbishment works in respect of the Seven Sisters flats via a Client Leadership Management Services (CLMS) contract. The CLMS Contract is a condition precedent of any funding to be provided by the LGAH;
3. LGAH will procure an Independent Project Monitor (IPM Contract), which is to be a joint appointment between the LGAH and RBH through a call-off from an appropriate and procurement rules compliant Framework Agreement (FA). The IPM contractor will provide the project management of the refurbishment works and will operate under a duty of care to all funders of the project;
4. RBH and LGAH will jointly procure and appoint a contractor to carry out the refurbishment works in respect of the Seven Sisters flats via a Pre-Construction Services Agreement (PCSA) and a JCT Design and Build contract (JCT D&B). The PCSA and the JCT D&B Contracts (together the Construction Contract) will be procured in accordance with the relevant public procurement rules; and
5. LGAH and RBH will enter into a Long-Term Management Agreement (LTMA) under which LGAH (as ultimate landlord of the Seven Sisters) will appoint RBH to manage the Seven Sisters flats on a long-term basis after the refurbishment works have been completed.

RBH is of the view that the main purpose of the Arrangement is the conditional sale of the Seven Sisters. LGAH will make a significant upfront investment for the redevelopment / refurbishment of the Seven Sisters. The CLMS contract (awarded directly by RBH to LGAH), is considered critical by LGAH to protect its investment. It is for this reason that the CLMS contract is considered to be non-severable (according to Regulation 4 of the Public Contracts Regulations of 2015, as amended (PCR15)) and ancillary to the conditional sale.

The other four arrangements are fully compliant with the relevant public procurement rules/ PCR15. LGAH is not a contracting authority for the purposes of the relevant public procurement rules as it is a Registered (for profit) Housing Provider.

RBH decided ultimately to approach LGAH following a failed procurement process in 2019 and many unsuccessful attempts to generate some market interest for the Seven Sisters which had led RBH to a provisional decision to demolish four out of the Seven Sisters blocks.

This procurement process falls outside the scope of application of the Public Contracts Regulations 2015, because of Regulation 4.

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

A contract/lot is awarded: Yes

V.2) Award of contract/concession

V.2.1) Date of conclusion of the contract

4 August 2023

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

1. Legal & General Affordable Homes Limited - CH no: 11223470
 2. Legal & General Affordable Homes (AR) LLP - CH no: OC435745
 3. Legal & General Affordable Homes (Operations) Limited - CH no: 11444323

12 Cock Lane

London

EC1A 9BU

Country

United Kingdom

NUTS code

- UKI - London

Companies House

1. CH no: 11223470 2. CH no: OC435745 3. CH no: 11444323

Internet address

<https://www.legalandgeneral.com/affordable-homes/>

The contractor/concessionaire is an SME

No

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

Initial estimated total value of the contract/lot/concession: £58,000,000

Total value of the contract/lot/concession: £58,000,000

Section VI. Complementary information

VI.3) Additional information

This procurement is not subject to the Public Contracts Regulations 2015, because of Regulation 4.

RBH will wait for a minimum of 10 clear calendar days following the publication of this notice before entering into a legally binding agreement.

VI.4) Procedures for review

VI.4.1) Review body

High Court of Justice

Strand

London

WC2A 2LL

Country

United Kingdom

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

Rochdale Boroughwide Housing Limited

Unique Enterprise Centre, Belfield Road

Rochdale

OL16 2UP

Email

steven.hark@rbh.org.uk

Country

United Kingdom

