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Award

Agreement for lease at Haymarket Development, Edinburgh

The City of Edinburgh Council

F15: Voluntary ex ante transparency notice

Notice identifier: 2021/S 000-023334

Procurement identifier (OCID): ocids-h6vhtk-02e299

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Section I: Contracting authority/entity

I.1) Name and addresses

The City of Edinburgh Council

Waverley Court, 4 East Market Street

Edinburgh

EH8 8BG

Contact

Graeme McGartland

Email

Graeme.McGartland@edinburgh.gov.uk

Telephone

+44 1314693922

Country

United Kingdom

NUTS code

UKM75 - Edinburgh, City of

Internet address(es)

Main address

<http://www.edinburgh.gov.uk>

Buyer's address

https://www.publiccontractsscotland.gov.uk/search/Search_AuthProfile.aspx?ID=AA00290

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

Agreement for lease at Haymarket Development, Edinburgh

II.1.2) Main CPV code

- 45000000 - Construction work

II.1.3) Type of contract

Works

II.1.4) Short description

The City of Edinburgh Council intends to enter into an agreement for lease for a new hotel

at Buildings 2 & 3, Haymarket Development, Edinburgh.

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: £91,250,000

II.2) Description

II.2.2) Additional CPV code(s)

- 45210000 - Building construction work
- 45211360 - Urban development construction work

II.2.3) Place of performance

NUTS codes

- UKM75 - Edinburgh, City of

II.2.4) Description of the procurement

The Council intends to enter into an agreement for lease with The Prudential Assurance Company Limited (the Landlord) for a new hotel at Buildings 2 & 3, Haymarket Development. The new hotel development is to be built on land owned by the Landlord, and on completion leased to the Council for a period of 25 years, with the right to extend the lease for a further period of 5 years. The agreement for lease will include enforceable obligations on the Landlord relating to design and construction and the carrying out of infrastructure and external works in relation to the new hotel. The Council intends to grant a sublease to the Edinburgh International Conference Centre Limited (EICC), or a subsidiary of EICC, who intend to operate the new hotel.

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

Negotiated without a prior call for competition

- The works, supplies or services can be provided only by a particular economic operator for the following reason:
 - absence of competition for technical reasons

Explanation:

This procurement is exempt on the basis of Regulation 33(1)(b) (Use of the negotiated procedure without prior publication) of the Public Contracts (Scotland) Regulation 2015. Given both the Landlord's exclusive rights in the relevant land interests and for technical reasons associated with the requirements of the Council and EICC for the new hotel, the works can be provided only by the landlord and developer of the Haymarket development.

The Council has carried out an extensive due diligence exercise and has satisfied itself that at the point of entering into the agreement for lease only one development site satisfies its stated requirements and objectives. In considering all potential hotel development opportunities the Council identified three key criteria namely (i) the site had to be located in the immediate vicinity of Edinburgh International Conference Centre; (ii) the development had to be able to accommodate a hotel with a capacity of around 400 bedrooms; and (iii) the development had to be one that would allow EICC to achieve its longer-term objective of becoming self-financing. Having explored a number of opportunities and possible options, including commissioning a report from professional advisers, the Council identified the Haymarket development as the only site that satisfied these three key criteria.

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

The procurement is covered by the Government Procurement Agreement: No

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

12 March 2020

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 Prudential Assurance Company Limited

10 Fenchurch Avenue

London

EC3M 5AG

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: £91,250,000

Section VI. Complementary information

VI.3) Additional information

NOTE: To register your interest in this notice and obtain any additional information please visit the Public Contracts Scotland Web Site at

https://www.publiccontractsscotland.gov.uk/Search/Search_Switch.aspx?ID=667196.

(SC Ref:667196)

VI.4) Procedures for review

VI.4.1) Review body

Court of Session

Parliament House, Parliament Square

Edinburgh

EH1 1RQ

Email

supreme.courts@scotcourts.gov.uk

Telephone

+44 1312252595

Country

United Kingdom

Internet address

www.scotcourts.gov.uk