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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): ocds-h6vhtk-02e299

Published 20 September 2021, 2:55pm

### **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](mailto: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](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

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## **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

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## 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

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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**

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

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## 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](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

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