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Award

Queen Alexandra Hospital, ground leases of land at the Main Entrance and North Entrance

Portsmouth Hospitals University NHS Trust

F15: Voluntary ex ante transparency notice

Notice identifier: 2022/S 000-025808

Procurement identifier (OCID): ocids-h6vhtk-03686d

Published 14 September 2022, 3:01pm

Section I: Contracting authority/entity

I.1) Name and addresses

Portsmouth Hospitals University NHS Trust

Queen Alexandra Hospital

Portsmouth

PO6 3LY

Contact

Mark Magrath

Email

mark.magrath@porthosp.nhs.uk

Telephone

+44 7824625139

Country

United Kingdom

Region code

UKJ31 - Portsmouth

NHS Organisation Data Service

Portsmouth Hospitals University NHS Trust

Internet address(es)

Main address

<https://www.porthosp.nhs.uk/>

I.4) Type of the contracting authority

Body governed by public law

I.5) Main activity

Health

Section II: Object

II.1) Scope of the procurement

II.1.1) Title

Queen Alexandra Hospital, ground leases of land at the Main Entrance and North Entrance

II.1.2) Main CPV code

- 45000000 - Construction work

II.1.3) Type of contract

Works

II.1.4) Short description

Portsmouth Hospitals University NHS Trust ("PHUT") intends to enter an option

agreement and two ground leases with Noviniti Dev Co 7 Limited ("Noviniti") in respect of a new retail use and lecture theatre and clinical space development ("the Development") at land at the Main Entrance and North Entrance at the Queen Alexandra Hospital, Portsmouth ("the Hospital"). It is anticipated that Noviniti will make arrangements to identify its initial commercial tenant of the retail space. The contractual arrangements are structured as a land transaction exempt from the Public Contracts Regulations 2015 ("PCR") and the Concession Contracts Regulations 2016 ("CCR").

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: £13,200,000

II.2) Description

II.2.2) Additional CPV code(s)

- 45213100 - Construction work for commercial buildings

II.2.3) Place of performance

NUTS codes

- UKJ31 - Portsmouth

Main site or place of performance

Queen Alexandra Hospital, Southwick Hill Road, Portsmouth

II.2.4) Description of the procurement

PHUT intends to enter into an option agreement and two ground leases with Noviniti Dev Co 7 Ltd ("Noviniti") in respect of a new retail use and lecture theatre and clinical space development at Queen Alexandra Hospital, Portsmouth (the "Hospital"). PHUT has structured the contractual arrangements as a land transaction exempt from the Public Contracts Regulations 2015 and the Concession Contracts Regulations 2016.

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 subject of this notice is an agreement to be entered into between PHUT and Noviniti for the grant of an option entitling Noviniti to call for the grant of two 46 year Ground Leases of parts of PHUT's freehold land at the Hospital.

The areas which will be subject to the option are defined within the Option Agreement and the option period will run for an initial period of 39 weeks (subject to extension). PHUT has had valuation advice and will grant the Ground Leases at premiums which reflects the market value.

The Ground Leases anticipate 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 in relation to each Ground Lease) of a retail use and lecture theatre and clinical space development at the Hospital (the "Potential Development"). Each Ground Lease is subject to break clauses in favour of PHUT if no Licence for Alterations has been issued or work on any Permitted Alterations begun at the second anniversary of the relevant Ground Lease. The Ground Leases are subject to further break clauses in favour of PHUT on the 6th anniversary if Certificates of Practical Completion have not been issued in relation to the Potential Development, and then on the 40th anniversary of practical completion of the Potential Development.

The details of the Potential Development will have been agreed between PHUT and Noviniti prior to the grant of the option agreement. Noviniti has a right to terminate the Ground Leases if Noviniti has not commenced the works comprising the Potential Development by the date 52 weeks after the date of the Ground Leases.

The exercise of the option by Noviniti to call for the Ground Leases does not trigger any obligation on Noviniti to undertake or on PHUT to procure the Potential Development. If Noviniti decides to undertake the Potential Development (and if PHUT subsequently so decides) Noviniti and PHUT may enter into an agreement for lease providing for the grant by Noviniti of underleases of all or part of the completed development to PHUT and/or a third party, with reversionary leases to PHUT. If that agreement is reached PHUT

anticipates that PHUT, Noviniti and the third party (if applicable) will enter into further documents including an agreement for lease, two licences 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

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

9 September 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

Noviniti Dev Co 7 Limited

The Stables, Churchfield Farm, Harley Way, Oundle

Peterborough

Email

jonathan.houlston@noviniti.co.uk

Country

United Kingdom

NUTS code

- UK - United Kingdom

Companies House

12938566

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: £13,200,000

Total value of the contract/lot/concession: £13,200,000

Section VI. Complementary information

VI.3) Additional information

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The areas which will be subject to the option are defined within the Option Agreement and the option period will run for an initial period of 39 weeks (subject to extension). PHUT has had valuation advice and will grant the Ground Leases at premiums which reflects the market value.

The Ground Leases anticipate 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 in relation to each Ground Lease) of a retail use and lecture theatre and clinical space development at the Hospital (the "Potential Development"). Each Ground Lease is subject to break clauses in favour of PHUT if no Licence for Alterations has been issued or work on any Permitted Alterations begun at the second anniversary of the relevant Ground Lease. The Ground Leases are subject to further break clauses in favour of PHUT on the 6th anniversary if Certificates of Practical Completion have not been issued in relation to the Potential Development, and then on the 40th anniversary of practical completion of the Potential Development.

The details of the Potential Development will have been agreed between PHUT and Noviniti prior to the grant of the option agreement. Noviniti has a right to terminate the Ground Leases if Noviniti has not commenced the works comprising the Potential Development by the date 52 weeks after the date of the Ground Leases.

The exercise of the option by Noviniti to call for the Ground Leases does not trigger any

obligation on Noviniti to undertake or on PHUT to procure the Potential Development. If Noviniti decides to undertake the Potential Development (and if PHUT subsequently so decides) Noviniti and PHUT may enter into an agreement for lease providing for the grant by Noviniti of underleases of all or part of the completed development to PHUT and/or a third party, with reversionary leases to PHUT. If that agreement is reached PHUT anticipates that PHUT, Noviniti and the third party (if applicable) will enter into further documents including an agreement for lease, two licences for alterations and underleases of the completed development.

VI.4) Procedures for review

VI.4.1) Review body

Portsmouth Hospitals NHS Trust

Portsmouth

PO6 3LY

Country

United Kingdom