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Contract

East Wick and Sweetwater – Modifications to Development Agreement

London Legacy Development Corporation

F03: Contract award notice

Notice identifier: 2022/S 000-028421

Procurement identifier (OCID): ocids-h6vhtk-037466

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Section I: Contracting authority

I.1) Name and addresses

London Legacy Development Corporation

5 Endeavour Square, Westfield Avenue

London

E20 1JN

Contact

Brian Walsh

Email

procurement@londonlegacy.co.uk

Telephone

+44 2032881800

Country

United Kingdom

Region code

UKI - London

Internet address(es)

Main address

www.queenelizabetholympicpark.co.uk

I.4) Type of the contracting authority

Body governed by public law

I.5) Main activity

Other activity

Development and regeneration

Section II: Object

II.1) Scope of the procurement

II.1.1) Title

East Wick and Sweetwater – Modifications to Development Agreement

II.1.2) Main CPV code

- 45000000 - Construction work

II.1.3) Type of contract

Works

II.1.4) Short description

Modifications to a Development Agreement for the development of the site known as East Wick and Sweetwater in the Queen Elizabeth Olympic Park.

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: £800,000,000

II.2) Description

II.2.2) Additional CPV code(s)

- 45211000 - Construction work for multi-dwelling buildings and individual houses

II.2.3) Place of performance

NUTS codes

- UKI - London

Main site or place of performance

LONDON

II.2.4) Description of the procurement

London Legacy Development Corporation (LLDC) entered into a Development Agreement (DA) with East Wick and Sweetwater Projects (Holdings) Limited on 27 February 2015 for the development of the site known as East Wick and Sweetwater in the Queen Elizabeth Olympic Park, Stratford, London. The DA was varied by a supplemental agreement and deed of variation dated 14 July 2016, a deed of variation dated 26 July 2016, a deed of variation dated 15 December 2017 and a deed of variation dated 21 December 2018. The parties have entered into a further deed of variation and ancillary documents to amend the DA to incorporate various modifications including the following: (i) Reduction in share of returns payable to LLDC; (ii) A private unit by private unit overage provision for further payments to LLDC above the fixed returns for sales of private units; (iii) Simplifications to the arrangements governing LLDC's share of Private Rental Sector revenues whereby 16% of the Private Rental Sector units in Phases 2-7 are owned outright by LLDC; (iv) Modifications to termination payments to cover costs incurred; (v) Introduction of tighter development milestones requiring specified delivery by the Contractor in respect of each of the phases; (vi) "Golden Brick" arrangements in respect of blocks containing 100% affordable housing units or 100% private rented units; and (vii) the removal of Phase 6 from the DA.

LLDC considers that the modifications have been brought about by circumstances which a diligent contracting authority could not have foreseen, they do not change the overall nature of the contract and the price has not increased by more than 50% of the value of

the original contract. The modifications have been brought about as a result, inter alia, of adverse market conditions which have been caused in part and exacerbated by the COVID-19 pandemic. LLDC therefore considers that Regulation 72(1)(c) of the Public Contracts Regulations 2015 applies.

Furthermore, LLDC considers that the modifications are not “substantial” for the purposes of Regulations 72(1)(e) and (8). The modifications do not render the contract materially different in character from either the original DA or the immediately preceding version. Whilst some of the modifications when considered alone are in the Contractor’s favour, LLDC has sought to counterbalance this with modifications in its own favour, so that the effect on the overall economic balance is neutral. LLDC therefore considers that Regulation 72(1)(e) also applies. As a result, LLDC considers that the modifications may be made without a new procurement procedure.

II.2.5) Award criteria

Cost criterion - Name: N/A / Weighting: 0

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

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:

See explanation at Section II.2.4.

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

A contract/lot is awarded: Yes

V.2) Award of contract

V.2.1) Date of conclusion of the contract

7 October 2022

V.2.2) Information about tenders

Number of tenders received: 1

Number of tenders received from SMEs: 0

Number of tenders received from tenderers from other EU Member States: 0

Number of tenders received from tenderers from non-EU Member States: 0

Number of tenders received by electronic means: 0

The contract has been awarded to a group of economic operators: No

V.2.3) Name and address of the contractor

Eastwick and Sweetwater Projects (Holdings) Limited

350 Euston Road,, Regents Place,

London,

NW1 3AX

Country

United Kingdom

NUTS code

- UKI - London

National registration number

09459001

The contractor is an SME

No

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

Total value of the contract/lot: £800,000,000

Section VI. Complementary information

VI.3) Additional information

To view this notice, please click here:

<https://www.delta-esourcing.com/delta/viewNotice.html?noticeId=719849409>

GO Reference: GO-20221010-PRO-21110013

VI.4) Procedures for review

VI.4.1) Review body

London Legacy Development Corporation

5 Endeavour Square, Westfield Avenue

London

E20 1JN

Country

United Kingdom