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Award

Basildon Ambulance Hub

East of England Ambulance Service NHS Trust

F15: Voluntary ex ante transparency notice

Notice identifier: 2023/S 000-034376

Procurement identifier (OCID): ocds-h6vhtk-041b8e

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Section I: Contracting authority/entity

I.1) Name and addresses

East of England Ambulance Service NHS Trust

WHITING WAY,

Melbourn

SG86EN

Contact

Stephen Dubery

Email

Stephen.Dubery@eastamb.nhs.uk

Country

United Kingdom

Region code

UKH - East of England

NHS Organisation Data Service

East of England Ambulance Service NHS Trust

Internet address(es)

Main address

<http://eastamb.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

Basildon Ambulance Hub

II.1.2) Main CPV code

- 45111291 - Site-development work

II.1.3) Type of contract

Works

II.1.4) Short description

East of England Ambulance Service NHS Trust (the "Trust") wishes to deliver a new ambulance hub facility (the "Hub") and intends to enter into a development agreement with Basildon Borough Council (the "Council") for the construction of the Hub on a site owned by the Council. Under the terms of the development agreement with the Council, the Council intends to run a competitive process in order to appoint a suitably qualified construction contractor to undertake the works.

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: £30,000,000

II.2) Description

II.2.3) Place of performance

NUTS codes

- UKH - East of England

Main site or place of performance

Basildon

II.2.4) Description of the procurement

The Council owns land which sits adjacent to Basildon University Hospital (the "Site"). The Site is located next to the hospital's emergency department which brings about significant logistical benefits, optimising the Trust's ability to deliver an effective and efficient service, as well as enabling funding to be obtained from the public works loan board, ensuring value for money.

The Trust requires a site of approx. 2 acres (sites of less than 1.75 acres are regarded as unsuitable) within 500-1000 metres of the hospital entrance. The current facility is 1500m away from the hospital entrance and, unless the new Hub was located closer to the hospital, it would be of little additional benefit to the Trust. In addition, the new Hub needs to:

- provide good access onto the major roads network (access into local residential roads would not be acceptable as this would likely give rise to significant disruption to the local area and would jeopardise the speed at which ambulances could be despatched from the Hub);
- be located on a site which would be regarded as likely to achieve a planning consent for an Ambulance Hub;
- be located on a site where the owner agrees to the development of the site for an ambulance hub; and

- be located on a site where the owner is prepared to deliver a new hub as a "turnkey" development on the site. I.e. design construct and lease the finished scheme to the Trust as the Trust requires to fund the development through rental, not capital. However, the Trust also requires the flexibility to invest capital and reduce its rental obligations under the project, in the event that any capital funding becomes available to the Trust.

After performing an analysis of sites within a 1,500m radius of the hospital entrance:

- 4 of those sites were regarded as being too small;
- due to the major regeneration schemes being progressed by owners in the town centre, several of the larger sites are already well progressed in planning terms for mixed use development that are primarily residential;
- only 3 sites were identified as being likely to obtain a planning consent for a Hub development, and one of those is the Hospital site itself. The Hospital Trust is seeking to relocate non-clinical services away from this site to enable a focus on clinical care. Setting aside a 2-acre site for an Ambulance Hub within the hospital site would not therefore be possible;

Therefore, the only site that emerged from the above analysis, which meets the criteria discussed above, is the Site.

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 contract provides that if the Council (i) proposes a design for the proposed development of an ambulance hub facility of circa 2000 square metres ("the PD") (ii) obtains a planning permission for the PD; (iii) selects a contractor through a competitive process; (iv) obtains a highways stopping up order necessary for the PD; and (v) resolves a title issue, in each case to the satisfaction of the Trust (which conditions the Council agrees to use specified endeavours to satisfy) the Council shall appoint the contractor to complete the PD in accordance with standard development obligations. On practical completion, the Trust will be obliged to accept a finance lease of the PD for 30 years.

The Trust will have a right to terminate the development agreement at any time by notice up until the point at which the Council is obliged to appoint the contractor. The Council will have certain rights to terminate where it complies with its obligations but the conditions are not satisfied within certain time limits.

The Trust will bear development cost risk and the Council will receive a 10% margin on the development costs. Therefore:

where the development agreement is terminated (other than for Council default) abortive costs will be payable by the Trust to the Council, excluding certain costs (including those from which the Council may derive future benefit);

the Council shall have the ability to review its appraisal of the development costs during the development process and (subject to the Trust's right to terminate, and certain categories of excluded costs) to include increased costs in its appraisal (which would then be subject to the rentalisation formula, described below);

the Council's costs in its appraisal shall be rentalised pursuant to a formula in the development agreement. The costs to be rentalised include the development costs (plus margin), the land value and the Council's borrowing costs pursuant to the proposed public works loan board loan.

As the rent payable by the Trust will vary depending on the cost of the PD, the quoted contract value in section II.1.7 of this notice is a best estimate at this time.

At the end of the Trust's lease, subject to all rent having been paid, the Trust will be entitled to purchase the freehold from the Council for £1. The Trust's lease will otherwise be on standard institutionally acceptable FRI terms with the Trust's rights to assign limited to similar public sector bodies.

Further information is provided at Section VI.3 of this notice. The Trust considers in good faith, for the reasons described in Section II.2.4 of this notice, that the Site is the only site upon which the Hub can be constructed and the transaction is therefore exempt from the Public Contracts Regulations 2015 pursuant to regulation 32(2)(b)(iii), i.e. the Hub can only be delivered by the Council due to the existence of exclusive rights (i.e. the Council's ownership of the Site) and that no reasonable alternative exists.

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

17 July 2017

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

Basildon Borough Council

The Basildon Centre, St Martins Square

Basildon

SS14 1DL

Email

Caroline.Saunders@basildon.gov.uk

Telephone

+44 1268207911

Country

United Kingdom

NUTS code

- UKH - East of England

Basildon Borough Council

Essex 881 E10000012

Internet address

<https://www.basildon.gov.uk/>

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: £30,000,000

Total value of the contract/lot/concession: £30,000,000

V.2.5) Information about subcontracting

The contract/lot/concession is likely to be subcontracted

Short description of the part of the contract to be subcontracted

The Council intends to run a competitive process in order to appoint a suitably qualified construction contractor to undertake the works. The contractor will either be selected pursuant to an existing framework or other competitive procurement process.

Section VI. Complementary information

VI.3) Additional information

For the reasons explained within Annex D1 of this notice, the Trust is of the view that this particular contract falls outside the scope of application of the Public Contracts Regulations 2015 (the PCRs).

Notwithstanding this, the Trust also believes that due to a number of issues as further explained in Section II.2.4 above, this site is the only site upon which this particular ambulance hub facility can realistically be constructed. As the Council owns the freehold title to the Site, it therefore has exclusive rights by virtue of its ownership of the Site, and as a result, the Trust believes the circumstances set out in regulation 32(2)(b)(iii) of PCRs also apply in this scenario.

Furthermore, the ideal location of the Site and the Council's cost of borrowing mean that it is likely that the Council can deliver an optimally located station at a cost (in terms of rental and operating costs) which would be considerably lower when compared to alternative options.

VI.4) Procedures for review

VI.4.1) Review body

High Court of England and Wales

Royal Courts of Justice, The Strand

London

WC2A 2LL

Telephone

+44 2079476000

Country

United Kingdom

VI.4.3) Review procedure

Precise information on deadline(s) for review procedures

As specified in Chapter 6 of the Public Contracts Regulations 2015

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

East of England Ambulance Service NHS Trust

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SG8 6EN

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Stephen.Dubery@eastamb.nhs.uk

Country

United Kingdom

Internet address

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