

Cheltenham Borough Council
Cabinet – 8th February, 2011

Adoption of bidder evaluation matrix in relation to proposed land disposal at North Place and Portland Street

Report of the Cabinet Member Built Environment

Accountable member	Cabinet member Built Environment, Councillor John Rawson
Accountable officer	Assistant Director Built Environment, Mike Redman
Accountable scrutiny committee	Environment
Ward(s) affected	St Paul's
Key Decision	No
Executive summary	This report seek Cabinet approval for the proposed bidder evaluation matrix relating to the proposed disposal for mixed use development of the North Place and Portland Street sites (the 'Sites'), currently used for surface car parking.
Recommendation	<p>That Cabinet:</p> <ol style="list-style-type: none">1.1 delegates authority to the Head of Property and Asset Management in consultation with Cabinet Member for Built Environment to enter into competitive dialogue with bidders to dispose of the Sites, whether in whole or in part, acknowledging that disposal could be by way of a freehold transfer, leasehold disposal or a mixed freehold and leasehold disposal. The final structure of the proposed disposal to be determined by dialogue procedure and the evaluation methodology referred to below;1.2 delegates authority to the Head of Property and Asset Management in consultation with Cabinet Member for Built Environment to select the developer in accordance with the evaluation methodology, as set out at Appendix 2 below;1.3 delegates authority to the Assistant Director Built Environment in consultation with the Cabinet Member for Built Environment to finalise the Evaluation Criteria before sending them out to the final 5 bidders.

Financial implications	<p>The council is looking to the development of the site to provide a net capital receipt to support the pump priming of public realm improvements across the town. The scoring criteria allows for this important element in the list of outcomes to be measured.</p> <p>Contact officer: Mark Sheldon, Chief Finance Officer , mark.sheldon@cheltenham.gov.uk, 01242 264123</p>
Legal implications	<p>The EU Competitive Dialogue procedure is set out in the Public Contracts Regulations 2006 and involves a staged process of assessment as follows:</p> <ul style="list-style-type: none"> • Pre-qualification selection process; • Invitation to short listed candidates to participate in a dialogue process during which aspects of the project will be discussed and solutions developed; • Dialogue continues until a limited number of solutions, say 2, are identified as capable of satisfying the council’s requirements; • Dialogue closed and final tenders invited. <p>In view of the expense incurred by tenderers during this process, as well as the intensity of discussions once the dialogue commences, it is essential that the lead officer has the necessary delegated authority to enter into dialogue and to discuss solutions with bidders. Members are asked to approve the various options relating to the disposal of the Sites as set out in the recommendations and the evaluation methodology, so that the competitive dialogue process may commence with the necessary certainty it requires to be effective within the timescales set for the process.</p> <p>Contact officer: Shirin Wotherspoon, Solicitor shirin.wotherspoon@tewkesbury.gov.uk, 01684 272017</p>
HR implications (including learning and organisational development)	<p>None arising directly from this report.</p> <p>Contact officer: Julie McCarthy, HR Operation Manager julie.mccarthy@cheltenham.gov.uk, Ext 4355</p>
Key risks	<p>CR32 - If the council is unable to realise the capital value of some of its assets it will be unable to progress the civic pride proposals – current risk rating 12.</p> <p>It is essential that the Council follows due process in disposing of the site to eliminate legal, financial and reputational risks that might otherwise arise.</p>

<p>Corporate and community plan implications</p>	<p>The development of the North Place and Portland Street sites will contribute to the following community and corporate plan objectives:-</p> <ul style="list-style-type: none"> • enhancing and protecting our environment; • strengthening our economy; • strengthening our communities. <p>In addition to the direct benefits arising from the development of this site, its sale should generate a substantial receipt that it is proposed will be reinvested in town centre infrastructure improvements.</p>
<p>Environmental and climate change implications</p>	<p>None relating directly from this report.</p>

1. Background

- 1.1** Following public consultation the revised Development Brief and Supplementary Planning Document (SPD) relating to the North Place and Portland Street sites was formally adopted by the Council on 13th December, 2010, as an SPD and technical appendix and this now forms an integral part of Cheltenham's Local Development Framework (LDF).
- 1.2** The SPD provides the context for the marketing of the North Place and Portland Street development sites which has commenced (see para 1.3. below). Additional preparatory tasks have now also been completed including: the conclusion of the archaeological investigation works recently undertaken; the production of a Planning Policy Statement 5 assessment concerning historical context and the appointment of professional advisers.
- 1.3** Officers commenced marketing of the sites on 24th January 2011, by placing the notice for disposal and associated works in the OJEU (Official Journal of the European Union). An advert was placed in the Estates Gazette and advertising boards have been erected on the sites. The selection of the preferred developer needs to follow the requirements of the EU procurement rules. The timetable should allow for the identification of a preferred bidder to develop the sites by late autumn 2011.

2. Reasons for recommendations

- 2.1** The adoption of an evaluation matrix is essential in selecting prospective developers of the site for the following reasons:-
- To provide a consistent and fair selection methodology;
 - To ensure transparency in relation to the criteria applied;
 - To minimise legal, financial and reputational risks to the Council;
 - To maximise the likelihood of a successful development of the site that meets the Council's aspirations for this important town centre location.
- 2.2** It is also essential to give officers the necessary delegated authority to enter into formal competitive dialogue with bidders and to select the preferred developer(s) in accordance with the evaluation methodology. Briefing notes will be submitted to members as the dialogue progresses.

3. Alternative options considered

3.1 None applicable.

4. Consultation and feedback

4.1 The selection criteria and scoring matrix have been the subject of consultation with key officers internally, One Legal, the Cheltenham Development Task Force and our appointed property advisors.

5. Performance management – monitoring and review

5.1 Officers will report back to Cabinet in due course with a recommendation regarding the preferred bidder.

Report author	Contact officer: Mike Redman, Assistant Director Built Environment, mike.redman@cheltenham.gov.uk, Ext 4160 01242 264160
Appendices	<ol style="list-style-type: none">1. Risk Assessment2. Proposed bidder evaluation criteria and scoring matrix3. Bidder Introductory Information Pack and Pre Qualification Questionnaire – for information only
Background information	Report to Council on 13 th December, 2010 entitled 'Review Of North Place & Portland Street Development Brief & Civic Pride Urban Design Framework'

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	I	L	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
CR32	If the council is unable to realise the capital value of some of its assets it will be unable to progress the civic pride proposals	GL	23/08/10	4	3	12	Reduce	SPD consultation completed and approval by Council in December. OJEU process to commence January 2011. Other asset disposal progressing as planned.		Strategic director Grahame Lewis	Yes