

Cabinet Briefing paper

North Place & Portland Street OJEU process

1.0 Background

- 1.1** In December 2010, Council approved the revised Supplementary Planning Document (SPD) and development brief for these two sites and also the fact that they would be marketed for sale.
- 1.2** At the Cabinet meeting on 8th February 2011, the approach to be adopted concerning the evaluation of Pre-Qualification Questionnaires (PQQ) and subsequent bids was agreed, with an equal split in the scoring mechanism between financial receipts and design/quality assessment of the proposals.
- 1.3** This briefing paper aims to update on the process so far, which as agreed, is being co-ordinated through the Cheltenham Development Task Force.
- 1.4** The process aimed to identify a maximum of 5 bidders to take forward to the next stage, 'Outline Solutions', recognising that the PQQ is a retrospective analysis, identifying the previous relevant experience and financial strength of each of the bidders – this is not an analysis of specific proposals for North Place & Portland Street at this stage.

2.0 Update

- 2.1** The opportunity was noted on the OJEU (Official Journal of the European Union) website through TED (Tenders Electronic Daily) on 24th January 2011, in line with the target programme.
- 2.2** All enquiries emanating from that advertisement were routed to GVA, who have been appointed to act as property agents on behalf of the Council.
- 2.3** Between the 24th January 2011 and the closing date of 14th March 2011, GVA responded to 115 requests for information which was provided by enabling access to a website where interested parties were able to download the Introductory Information Pack (which explicitly set out the target timetable to be followed) and also the PQQ.
- 2.4** GVA received 9 formal PQQ submissions by the deadline of noon on 14th March 2011. This number is in line with expectations, as it must be understood that many initial expressions of interest are inevitably speculative and some of those parties expressing an interest have subsequently participated in consortia, in order to respond effectively to the opportunity.
- 2.5** The process for evaluating the 9 bids was carried out in a number of stages.
- 2.6** The initial stage was to check compliance. It is not uncommon that elements are sometimes inadvertently omitted by bidders so a CBC/GVA team identified any initial shortcomings or "missings" e.g. a letter of authority to secure a bank reference, but not the

reference itself. These were then chased up by GVA. Pass/Fail items were successfully met by all consortia, so no bids were excluded on the grounds of non-compliance on a technicality, although some bidders did not make the scoring task easy e.g. by offering out of date references.

2.7 The evaluation was then conducted by several teams – GVA in Bristol; finance at CBC; urban design at CBC and property at CBC, against pre-determined criteria clearly set out in the PQQ documentation (as shown below) with results weighted to reflect significance. This effectively scored consortia equally on the ‘economic and financial standing’ (including finance raising ability) and ‘technical and professional ability’ criteria.

2.8 Jeremy Williamson (Task Force managing director) distanced himself from the scoring process, in order that he could act as challenger to the scores and commentaries prepared. This was seen as a valuable approach as (a) he had met several of the bidders as offered in the introductory information pack and (b) it provided a mechanism by which scores could be justified and moderated in line with best practice. Donna McFarlane (One Legal solicitor) provided a further independent scrutiny of the scores as part of the process.

2.9 The scoring matrix used is as set out below:-

Level 1 Criteria	Level 1 Criteria Weightings	Level 2 Criteria Question No.	Level 2 Criteria	Level 2 Criteria Sub-Weighting	Available Scores
Economic and Financial Standing	30%				
		3	Financial Information	30%	0-4
		SUB-TOTAL		30%	4
Technical and Professional Ability	70%				
		4.1	Key Personnel	10%	0-10
		4.2	Similar Project Experience	10%	0-10
		4.3	Design Quality	10%	0-10
		4.4	Sustainability Approach	10%	0-10
		4.5	Health and Safety Approach	Pass/Fail	
		4.6	Previous Contract Performance	10%	0-10
		4.7	Finance Raising Ability and Experience	20%	0-4
		SUB-TOTAL		70%	54
OVERALL TOTAL: 100%					

- 2.10** Whilst the headline score is seemingly 58, the scores were then weighted by between 10% and 30% thus the overall score for each bid was deduced as a score out of 100%
- 2.11** The process took time, as there was a requirement to not only evaluate documentation provided, but also to pursue references and understand previously delivered schemes where identified as relevant.
- 2.12** The analysis was considered in detail by the Cheltenham Development Task Force at their meeting on 8th April 2011, with input from GVA and One Legal.
- 2.13** The Task Force was satisfied that the analysis had been carried out in a thorough manner and that due process had been followed in respect of the OJEU requirements.

3.0 Conclusion

- 3.1** The number of requests for information packs and subsequent PQQ returns does reflect positively upon the enthusiasm in the market place for unique opportunities like this one.
- 3.2** The process has identified 5 leading consortia that are collectively judged to have both the financial strength and relevant experience to deliver a successful scheme on the North Place and Portland Street site.
- 3.3** The five shortlisted consortia will be invited to progress to the next stage - the preparation of 'Outline Solutions' for the site. This will follow a Bidder's Day scheduled for May 2011.
- 3.4** At the full Council update by the Cheltenham Development Task Force on 28th March 2011, members requested the opportunity to be briefed on the 5 potential schemes and financial solutions. A date for this exercise is yet to be agreed, but will be arranged.
- 3.5** A further briefing on the process is anticipated to be prepared for the Cabinet meeting scheduled for 26th July 2011, by which time it is hoped that the number of bidders will have been reduced to two, who will then be invited to prepare 'Detailed Solutions' for the site.