

Lichfield City Centre Masterplan - Commercial Property Advisor appointment

Report of the Cabinet Member for Major Projects and Economic Development – Cllr E Little

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Agenda Item:	3
Contact Officer:	Craig Jordan – Head of Economic Growth & Development Helen Bielby – Major Developments Project Manager
Tel Number:	01543 308252
Email:	craig.jordan@lichfielddc.gov.uk helen.bielby@lichfielddc.gov.uk
Key Decision?	YES
Local Ward Members	ALL



CABINET

1. Executive Summary

- 1.1 A procurement exercise has been carried out for the appointment of Commercial Property Advisors to provide advice and support on how the Council takes the development opportunities outlined in the Lichfield City Centre Masterplan forward.
- 1.2 The Eastern Shires Purchasing Organisation (ESPO) Estates Professional Services (2700) framework agreement was identified as a suitable framework agreement under which to run a further competition in order to identify a suitably knowledgeable and experienced commercial property supplier. A further competition process was run in line with ESPO's guidelines as per the Council's Contract Procedure Rules.
- 1.3 Three (3) bids were received in response. These bids have all been appraised against defined criteria set out in the further competition documents covering price and quality. The cost is based on hourly rates, in line with the ESPO framework agreement, as the work undertaken will be on an on-call basis. The quality of the bids has been considered in relation to eight criteria, detailed within the report.
- 1.4 The appointed supplier will provide the Council with robust, independent and expert advice on commercial property matters.
- 1.5 In the evaluation process, which consisted of both a written bid and a presentation/Q&A session with relevant officers, **BIDDER B** achieved the highest overall score.

2. Recommendations

- 2.1 That the Cabinet agrees to the recommendation that **BIDDER B** be awarded the contract.
- 2.2 That the Cabinet delegates to the Cabinet member for Major Projects and Economic Development in consultation with the Head of Economic Growth and Development the authority to sign the contractual agreements and to authorise any minor variations in the contractual arrangements subject to the costs being within the agreed budget.

3. Background

- 3.1 Lichfield District Council has endorsed the Lichfield City Centre Masterplan as the basis of a long term development programme for Lichfield City Centre. It sets out key sites for development and provides guidance as to how the city centre can be developed in a sustainable and attractive way.

3.2 As part of the work that will be undertaken to implement the masterplan, the Council will need robust, independent and expert advice on commercial property matters across the development sites identified, combined with other commercial property advice as necessary. This will be a 2 year appointment initially, with the option to extend the contract for up to a further 2 years subject to this being within the Approved Budget.

3.3 The nature and scope of the advice and input required will vary considerably across the different development sites. The scope of work is anticipated to include, but not be limited to, all aspects of advice required to assess options to achieve the Council's aims and ambitions and bring forward sites for redevelopment including:

- Market potential for development on each site, based on the proposals contained within the Masterplan but allowing for other alternative development should it be likely that the proposals be unviable/undeliverable
- Options appraisals/development briefs to present all key relevant factors, costs and income potential for each development site
- Strategy and plan for the development of the site including delivery and funding options, advice on bundling of sites etc
- Occupier/investor soft market testing
- Valuations and development appraisals
- Marketing and agency services including drafting of commercial heads of terms, negotiation and support to the Council through to the completion of agreements
- Advice on deal structures and legal negotiations as appropriate.

The advisor will also be required to advise on new, potential additional development opportunities that might arise and be in line with meeting the masterplan objectives.

3.4 The overall budget set aside for this advice is £130,000 over the initial 2 year contract period.

3.5 The ESPO framework agreement was established in March 2019 and in order to be appointed the suppliers had to pass through a rigorous procurement exercise conducted by ESPO themselves. As part of the further competition process for the Council they had to submit method statements, pricing and confirmation statements. In line with the Social Value Act 2012 a specific question in relation to social value was included.

3.6 In response to the further competition process, three (3) supplier bids were received. All bids have been evaluated in detail against the criteria set out in the further competition documentation. Pre-procurement, quality was allocated 60% of the available marks and price 40%. The advice provided during the term of this contract needs to be robust, professional and tailored to Lichfield – therefore attracting the higher %; pricing had already been subject to initial competition during the establishment of the framework agreement by ESPO which allowed the lower % to be allocated with confidence.

3.7 The bids were fully judged in relation to eight quality elements of:

- i. management of project/work
- ii. stakeholder management
- iii. how a project would be completed
- iv. their approach to delivering social value
- v. the experience of staff to be appointed to the commission and available to support it
- vi. how they gather and use local knowledge in advice given
- vii. how they will service the contract; and
- viii. case study comparisons

3.8 A summary of the final evaluation scoring is provided below:

	Price (max. 40)	Quality (max 60)	Total (max 100)
Bidder A	36.555	39.231	75.786
Bidder B	28.722	49.615	78.337
Bidder C	40.000	36.346	76.346

Note: price scores are based on the lowest price receiving full marks and the other bids a percentage there of; quality scores are based on a % of the total possible marks available.

3.9 Taking price and quality of bid together, it is recommended following evaluation of the bids that **BIDDER B** is awarded the contract.

Alternative Options	<ol style="list-style-type: none"> 1. Cabinet could decide not to award this contract to Bidder B and conclude this procurement exercise without appointment. 2. Cabinet could direct officers to carry out another procurement exercise for this appointment. 3. Cabinet could decide not to appoint Commercial Property Advisors.
Consultation	None
Financial Implications	The Approved Budget for the implementation of the Masterplan proposals for Phase 1 was approved by Council on 6 th October 2020. The budget for the Commercial Property Advice was set at £130,000 over a 2 year contract period. Whilst the nature of the commission means advice required will be on an on-call basis, it is considered that the hourly rates submitted by the successful bidder will mean that there should be no overspend on this budget based on the work envisaged.
Contribution to the Delivery of the Strategic Plan	The bid evaluation process has been carried out to ensure that a commercial property advisor is appointed to give professional and robust advice to the Council in terms of the development opportunities that will emerge as part of the implementation of the Lichfield city Centre Masterplan. The delivery of the Masterplan objectives will ensure that Lichfield is a vibrant and welcoming place for many years to come.
Equality, Diversity and Human Rights Implications	The procurement exercise has required all suppliers to comply with relevant legislation. There are no equality, diversity and human right implications associated with the award of the contract. Therefore an equality impact assessment has not been necessary.
Environmental Implications	The award of the contract itself will not have environmental issues however the recommended bidder will be expected to follow sustainable business practices which take account of environmental impacts and in the advice and guidance they provide to the Council under the commission for future developments will need to consider environmental impact and sustainability on sites and their wider surroundings.
Crime & Safety Issues	<ol style="list-style-type: none"> 1. The award of the contract itself will not have an impact on crime and safety issues. The implementation of the masterplan proposals will ensure that Lichfield City Centre remains an attractive and safe environment.

GDPR/Privacy
Impact Assessment

1. A Privacy Impact Assessment has not been undertaken because the contractor will not be handling any personal data.

	Risk Description	How We Manage It	Severity of Risk (RYG)
A	The appointed contractor fails to deliver the required level of service	Robust contract agreement and monitoring with regular contract review meetings will ensure the advice and projects are delivered to the quality required	Likelihood: Yellow Impact: Red Severity of Risk: Yellow
B	The appointed contractor ceases trading	As work undertaken will be for distinct projects the risk is low. If any problems occur then contracts would cease and a new tender/appointment would take place.	Likelihood: Yellow Impact: Yellow Severity of Risk: Yellow
C	Another bidder challenges appointment made	The procurement exercise has been carried out in line with ESPO guidelines and best practice; any challenge received would be managed with support from legal advisors.	Likelihood: Yellow Impact: Red Severity of Risk: Red
D	The approved budget is not sufficient	Expenditure against budget will be carefully monitored including by the appointed contractor (if the recommendation is accepted). Regular monitoring of spend and of the work programme will inform dialogue with the contractor and the implications of any cost pressures arising or potentially likely to arise taken into account.	Likelihood: Yellow Impact: Red Severity of Risk: Yellow
E	Conflicts of interest caused by the appointed contractor acting for the Council and being approached to act for other parties	The contractor would be required to put in place suitable measures to prevent any conflict of interest occurring.	Likelihood: Yellow Impact: Red Severity of Risk: Yellow

Background documents

Lichfield City Centre Masterplan

Relevant web links

<https://www.lichfielddc.gov.uk/planning/birmingham-road-site/1>