



## TENDER REPORT

<b>Project Title</b>	<b>WATERFRONT SITE DEVELOPER /OPERATOR APPOINTMENT</b>
<b>Project Manager</b>	Richard Mortimer
<b>Decision level</b>	Cabinet
<b>Summary of Project</b>	<p>This report summarises the procurement of a Developer / Operator to build and operate a hotel-led development scheme, comprising an upscale, quality hotel; serviced apartments; and residential units on the Bridge Street car park and Hanover House sites, collectively offered as the Waterfront Site, Staines-upon-Thames.</p> <p>The procurement was undertaken under the Competitive Dialogue (CD) process, in accordance and fully compliant with the Public Contracts Regulations 2015.</p> <p>This report provides details regarding the CD process, the bidder proposals and the evaluations, and makes recommendations to award the contract in accordance with the outcome of the process.</p>

### 1. BACKGROUND

- 1.1 In September 2017, Spelthorne Borough Council (SBC)'s Cabinet approved the purchase of Hanover House for redevelopment purposes, and in summer 2018, the Council appointed CBRE Hotels to undertake an assessment of the hotel market and an appraisal of the financial opportunity for developing a hotel on the combined site.
- 1.2 The assessment identified the site as '...a prime strategic riverside location in the centre of Staines-upon-Thames, benefitting from good visibility and accessibility...the site and location present a strong opportunity for hotel development'. The report also noted that other hotels, within a 3-mile radius of Staines, are positioned as limited-(rather than full-) service hotels and that any full-service hotels are generally of poorer quality.
- 1.3 CBRE's report concluded that, having spoken to a number of hotel brands,<sup>1</sup>they believe that the site presented a good opportunity to act as a catalyst for further development in the town, and that a hotel developed on the site would become 'placemaking', filling a gap in current hotel supply for a full-service hotel.

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<sup>1</sup> CBRE spoke with Hilton, Marriott and Village Hotels

- 1.4 A procurement exercise was undertaken for a hotel consultant and Colliers were duly appointed to advise SBC on the proposed approach to the market, and to assist in the procurement of the provider.
- 1.5 A soft market testing event was hosted by Colliers at their offices on 17 June 2019. Developers, operators, consultants and contractors from the industry were invited to attend, and there was attendance from these market sectors at the event.
- 1.6 Following concerns regarding Colliers' procurement expertise, and their lack of experience of the CD process, it was agreed to replace Colliers as the project consultants. Cushman and Wakefield, who had also bid for the consultancy work, were then asked to provide a revised proposal, and were duly appointed. They have advised the project team throughout the full process.
- 1.7 The project team consisted of Richard Mortimer, Asset Management Contractor, Victoria Statham, Principal Solicitor, Hilary Gillies, Procurement Consultant, with external advice provided by Richard Candey (Cushman and Wakefield), Will Deeprise and David Hansom (Clyde & Co, as Legal Advisors)

## **2. PROCUREMENT PROCESS**

- 2.1 Advice from SBC's Legal and Procurement team confirmed that this project needed to be conducted in accordance with the Public Contracts Regulations 2015, rather than by the direct of award of a development agreement (to a developer). The advice was issued in light of the decision of the Court of Appeal in the case of *Faraday Development Ltd. vs. West Berkshire Council*. This case demonstrated that where a contracting authority (a council) enters into a Development Agreement which contained controls over how that land was developed, that constituted a works contract under the regulations and is not regarded as a purely property transaction which would sit outside of the regulations.
- 2.2 The Competitive Dialogue (CD) process was deemed to be the most suitable procurement process for the project. The CD process is most suited to complex, high value procurements, where there is a demonstrable requirement to develop the proposal in line with the client's requirements, thereby increasing the project value throughout the dialogue phase.
- 2.3 SBC published an OJEU (Contract) Notice on 29 July 2019, calling for the market to express an interest.
- 2.4 Nine bidders expressed an interest in bidding for the project by submitting a standard Selection Questionnaire (SQ). Following the shortlisting process, four Qualified Bidders were selected, and were subsequently issued with the Invitation to Participate in Dialogue (ITPD).
- 2.5 The Dialogue sessions commenced in November 2019 and concluded in February 2020. Details of the Qualified Bidders and the structure of the Dialogue meetings are attached at Appendix 1.
- 2.6 The Dialogue sessions were conducted by the project team, with support from external advisors for the sessions as necessary. The subject of each of the sessions reflected the qualitative and commercial questions outlined in the ITPD, to which Qualified Bidders would be required to respond in the Final Tenders.

- 2.7 The qualitative criteria and sub-criteria questions are at Appendix 2. The Qualitative element of the bid was weighted as 70% of the scores and each of the sub-sections carried its own weightings within each section as detailed at Appendix 2. The Commercial Offer weighted as 30% of the scores, as also indicated within Appendix 2.
- 2.8 Cushman and Wakefield provided hotel and market intelligence throughout the process, and attended all CD sessions. Clyde & Co provided legal advice (Property and Procurement) throughout the development of the CD documents and led the third Dialogue session.
- 2.9 Two Qualified Bidders self-deselected during the Dialogue process (see Appendix 1). The two remaining Qualified Bidders were issued with Invitations to Submit Final Tender (ISFTs) on 4 March. The ISFTs required Qualified Bidders to submit their Final Tenders by 12 noon on 18 March 2020. One of the Qualified Bidders requested an extension of time to submit and the tender return date was extended to 12 noon on 20 March.
- 2.10 Both Qualified Bidders submitted tenders by the tender return deadline of 12 noon on 20 March 2020.

**3. EVALUATION & TENDER EVALUATION SCORES**

- 3.1 Each of the Qualitative and Commercial responses were evaluated by the Evaluation Panels as outlined at Appendix 2.
- 3.2 Responses to question B (a Pass / Fail question whereby Bidders were required to accept the draft contract package without amendment to the non-negotiable provisions) were reviewed and evaluated by Clyde & Co. Clarifications were sought from both parties on some negotiated points. Both the Bidders scored a Pass on this requirement.
- 3.3 The Qualitative scores were marked in accordance with the scoring matrix below, which was also published in the ISFT:

<b>Score</b>	<b>Description</b>
0	Completely fails to meet required standard or does not provide a proposal.
1	Proposal significantly fails to meet the standards required, contains significant shortcomings or is inconsistent with other proposals.
2	Proposal falls short of achieving expected standard in a number of identifiable respects.
3	Proposal meets the required standard in most material respects, but is lacking or inconsistent in others.
4	Proposal meets the required standard in all material respects.
5	Proposal meets the required standard in all material respects and exceeds some or all of the major requirements.

- 3.4 The Commercial Offers were evaluated by the Evaluators outlined at Appendix 2, and in accordance with the following calculation, and the worked example provided within the ISFT, as below:

The highest value Ground Rent offer will achieve a score of 20%, and the highest value Residential Offer will score 10%. Other Bidders' scores will be scored relative to the highest value in each case.

**Worked EXAMPLE (Ground Rent Offer: 20%)**

A	£150,000	scores 10.00%
B	£300,000	scores 20.00%
C	£280,000	scores 18.67%
D	£70,000	scores 4.67 %

**4. PREFERRED BIDDER**

The Evaluation Process has identified Bidder B as the Preferred Bidder. In the opinion of the Evaluation Panel, this bidder has offered the most economically advantageous bid, i.e. the bid which offers the best combined qualitative and commercial proposal.

**5. RECOMMENDATIONS**

Cabinet is therefore recommended to agree to award the tender to and grant a long lease to Bidder B of the Hanover House and Bridge Street Car Park sites for the development of a hotel and mixed use development.

## Appendix 1 – Competitive Dialogue Sessions and Process

Stage	Date	CD Session Topic	Qualified Bidder	Dialogue Leads (SBC and Advisors)
1	12/11/ 2019	Understanding the Site and the Requirement	Bidder A	Richard Mortimer, Assets Manager, SBC; Victoria Statham, Principal Solicitor, SBC; Hilary Gillies, Procurement Consultant; Richard Candey, Partner, Hotels sector, Cushman & Wakefield; Shyam Devani Analyst, Cushman & Wakefield (notetaker)
1	21/11/2019	Understanding the Site and the Requirement	Bidder B	Richard Mortimer, Assets Manager, SBC; Victoria Statham, Principal Solicitor, SBC; Hilary Gillies, Procurement Consultant; Richard Candey, Partner, Hotels sector, Cushman & Wakefield; Shyam Devani Analyst, Cushman & Wakefield (notetaker)
1	22/11/2019	Understanding the Site and the Requirement	Bidder C	Richard Mortimer, Assets Manager, SBC; Victoria Statham, Principal Solicitor, SBC; Hilary Gillies, Procurement Consultant; Richard Candey, Partner, Hotels sector, Cushman & Wakefield; Shyam Devani Analyst, Cushman & Wakefield (notetaker)
1	22/11/2019	Understanding the Site and the Requirement	Bidder D	Richard Mortimer, Assets Manager, SBC; Victoria Statham, Principal Solicitor, SBC; Hilary Gillies, Procurement Consultant; Richard Candey, Partner, Hotels sector, Cushman & Wakefield; Shyam Devani Analyst, Cushman & Wakefield (notetaker)
Site Visit	2/12/2019	London	Bidder A	Richard Mortimer, Assets Manager, SBC; Victoria Statham, Principal Solicitor, SBC; Hilary Gillies, Procurement Consultant; Richard Candey, Partner, Hotels sector, Cushman & Wakefield;
Notification	3/12/2019	Notification from Bidder D of withdrawal from the process	Bidder D	

Site Visit	4/12/2019	South East	Bidder B	Richard Mortimer, Assets Manager, SBC; Victoria Statham, Principal Solicitor, SBC; Hilary Gillies, Procurement Consultant; Richard Candey, Partner, Hotels sector, Cushman & Wakefield;
Site Visit	22/01/2020	Aberdeen	Bidder C	Richard Mortimer, Assets Manager, SBC; Victoria Statham, Principal Solicitor, SBC; Hilary Gillies, Procurement Consultant;
2	27/01/2020	Structure of the Scheme Delivery; Planning & Development of the Public Realm; Working with the Authority & Delivering Social Value	Bidder B	Richard Mortimer, Assets Manager, SBC; Victoria Statham, Principal Solicitor, SBC; Hilary Gillies, Procurement Consultant; Richard Candey, Partner, Hotels sector, Cushman & Wakefield; Shyam Devani Analyst, Cushman & Wakefield (notetaker)
2	31/01/2020	Structure of the Scheme Delivery; Planning & Development of the Public Realm; Working with the Authority & Delivering Social Value	Bidder A	Richard Mortimer, Assets Manager, SBC; Victoria Statham, Principal Solicitor, SBC; Hilary Gillies, Procurement Consultant; Richard Candey, Partner, Hotels sector, Cushman & Wakefield; Shyam Devani Analyst, Cushman & Wakefield (notetaker)
2	5/02/2020	Structure of the Scheme Delivery; Planning & Development of the Public Realm; Working with the Authority & Delivering Social Value	Bidder C	Richard Mortimer, Assets Manager, SBC; Victoria Statham, Principal Solicitor, SBC; Hilary Gillies, Procurement Consultant; Richard Candey, Partner, Hotels sector, Cushman & Wakefield; Shyam Devani Analyst, Cushman & Wakefield (notetaker)
Site Visit	7/02/2020	South East	Bidder C	Richard Mortimer, Assets Manager, SBC; Victoria Statham, Principal Solicitor, SBC; Hilary Gillies, Procurement Consultant; Richard Candey, Partner, Hotels sector, Cushman & Wakefield;
Notification	20/02/2020	Notification from Bidder C of withdrawal from the process	Bidder C	
3	26/02/2020	Funding & Financial Viability and Commercial Arrangements	Bidder A	Richard Mortimer, Assets Manager, SBC; Victoria Statham, Principal Solicitor, SBC; Hilary Gillies, Procurement Consultant;

				Richard Candey, Partner, Hotels sector, Cushman & Wakefield; Will Deeprise, Clyde and Co; David Hansom, Clyde and Co; Katie Jacobs, Clyde & Co (notetaker)
3	27/02/2020	Funding & Financial Viability and Commercial Arrangements	Bidder B	Richard Mortimer, Assets Manager, SBC; Victoria Statham, Principal Solicitor, SBC; Hilary Gillies, Procurement Consultant; Richard Candey, Partner, Hotels sector, Cushman & Wakefield; Will Deeprise, Clyde and Co; David Hansom, Clyde and Co; Katie Jacobs, Clyde & Co (notetaker).
	4/03/2020	Invitation to Submit Final Tender	1. <b>Remaining 2 Qualified Bidders</b>	
	12 noon 20/03/2020	Final Tenders submitted	1. <b>Remaining 2 Qualified Bidders</b>	
	23/03/2020 – 27/03/2020	Evaluation of submitted Tenders	<p><b>Review of the submission of compliant tenders:</b> Victoria Statham, Principal Solicitor, SBC; Hilary Gillies, Procurement Consultant;</p> <p><b>Quality Evaluations</b></p> <p><b>Evaluation of Section A</b> (Understanding the Site and the Requirement): Heather Morgan, Group Head, Regeneration &amp; Growth Richard Mortimer, Assets Management Contractor, SBC; Richard Candey, Partner, Hotels sector, Cushman &amp; Wakefield; Cllr Ian Harvey – Leader of the Council Cllr Tony Harman – Deputy Leader Cllr Olivia Rybinski – Portfolio Holder, Economic Development, Customer Service, Estates &amp; Transport Cllr Helen Harvey - Portfolio Holder, Investment Portfolio Management, and Regeneration;</p> <p><b>Evaluation of Contract Compliance:</b> Will Deeprise, Clyde and Co; David Hansom, Clyde and Co;</p> <p><b>Evaluation of Sections B</b> (Funding &amp; Financial Viability and Commercial Arrangements); <b>C</b> (Structure of the Scheme Delivery); <b>D</b> (Planning &amp;</p>	

		<p>Development of the Public Realm); <b>E</b> (Working with the Authority &amp; Delivering Social Value);  Richard Mortimer, Assets Manager, SBC;  Richard Candey, Partner, Hotels sector, Cushman &amp; Wakefield;</p> <p><b>Commercial Evaluations</b></p> <p>Richard Mortimer  Richard Candey,  Hilary Gillies</p>
	30/03/2020	Scores Evaluated and Preferred Bidder identified



## Appendix 2 – Evaluation Criteria

### Qualitative Criteria and Sub-Criteria

SECTION A	<b>UNDERSTANDING THE SITE AND THE REQUIREMENT</b> Section Weighting: 30%	Each section adds up to 100%
Criteria	Sub-Criteria	Weighting (%)
<b>A.0</b> <b>Compliant Bid requirement</b>	<p><b>A.0</b> The proposal includes (as a minimum to "Pass"):</p> <ul style="list-style-type: none"> <li>a. an upscale hotel with a minimum of 200 beds, The hotel brand must be a good quality upscale standard offering as defined by Smith Travel Research (STR) or a 4-star hotel standard, as defined by the AA (or equivalent);</li> <li>b. the hotel is to provide Restaurant, Bar and Leisure facilities appropriate in size and quality with the standard of the hotel. In addition, the hotel will provide Meeting &amp; Conference and Business Centre facilities capable of hosting corporate &amp; leisure events with a minimum capacity of 200 persons;</li> <li>c. serviced apartments. The serviced apartments. must be a good quality upscale standard offering as defined by Smith Travel Research (STR) or a 4-star hotel standard, as defined by the AA (or equivalent) ;and</li> <li>d. a minimum of 75 residential units.</li> </ul> <p>The Bidder should clearly set out the proposed schedule of areas for the hotel, serviced apartments, residential units and any alternative use components including the size, quality and capacity of each facility.</p>	Pass/ Fail
<b>A.1</b> <b>Understanding of the Site</b>	<p><b>A.1.1</b> The Bidder's proposal demonstrates an understanding of the mixed-use requirements for the site and the proposal includes a clear and credible methodology for the delivery and operation of the hotel, and the site's other uses, and fully meets the Authority's brief.</p> <p><b>A.1.2</b> The Bidder recognises and takes into account the challenges posed by the site location, the surrounding built environment (e.g. the conservation area) and natural barriers (the river; height restrictions), and proposes suitable arrangements for access.</p>	10%  20%  20%

	<b>A.1.3</b> The proposed design and layout maximise the potential of the river frontage and the Bidder proposes a design which enhances the river. The proposal recognises the potential for flooding of the site and presents a credible solution for managing this challenge.	
<b>A.2 Technical Requirements and Standards</b>	<p><b>A.2.1</b> The branding, size, number of rooms and general quality of the proposed hotel are consistent with the desired level of quality. The Bidder describes / will describe in the Final Tender how the level of quality will be achieved, recognises any design constraints and provides a sufficiently detailed specification to ensure a quality outcome.</p> <p><b>A.2.2</b> The Bidder will demonstrate that the proposed development will use high quality, ethically sourced materials and that the visual appearance and stature of the site are recognisable in the town hierarchy.</p>	<p>30%</p> <p>20%</p>

<b>SECTION B</b>	<b>FUNDING &amp; FINANCIAL VIABILITY AND COMMERCIAL ARRANGEMENTS</b>  <b>Section Weighting 25%</b>	<b>Each section adds up to 100%</b>
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**NOTES**  
**Please note the following requirements – information and formats - which Qualified Bidders must include within their Final Tender:**  
**With regard to the Hotel & Serviced Apartments, Qualified Bidders will:**

- Confirm the operational / occupational structure (franchise, managed or leased solutions).
- Present a 5-year P&L statement in the USALI format;
- Include KPIs for all trading departments;
- Provide benchmark or company data to support all trading assumptions;
- Provide an evolution of their assumed trading profits. The P&Ls should demonstrate assumptions to EBITDA, including assumptions on fixed costs.
- Indicate the assumed value at opening and upon reaching a mature trading position;
- Demonstrate a suitable Exit Strategy, with financial arrangements, details of long term and short-term partners, debt & equity arrangements etc.

**With regard to the Residential element of the Final Tender, Qualified Bidders will:**

- Confirm the specification for the Residential provision, and demonstrate the proposed residential structure (private residential for sale, PRS and affordable housing assumptions).
- Clearly demonstrate their pricing assumptions with market comparable evidence and market benchmarks.
- Indicate their proposed exit strategy;
- Provide, with regard to the financing of the residential element, details of long-term and short-term partners, debt & equity arrangements etc.

**With regard to other proposed uses on the site, Qualified Bidders will:**

- Provide confirmation of the demise, use, area, anticipated occupier(s);
- Demonstrate, and detail, their rent and value assumptions;
- Indicate their proposed exit strategy.
- Provide details of long-term and short-term partners, debt & equity arrangements etc.

**General**

The scheme will be appraised as a whole. Qualified Bidders should therefore, in their Final Tender, provide a detailed development appraisal including:

- Comprehensive, fully measured, scheme (GIA, NIA, area schedule etc.);
- Confirmation that all parties, including the Developer, Investor and Operator are in place;
- Initial cost plan assumptions with breakdown of indicative construction costs;
- A demonstration of the residual land value.
- A financial structure for the Ground rent.

Criteria	Sub-Criteria	Weighting (%)
<b>B.0 Contract</b>	<b>B.0</b> The Bidder accepts the draft Contract package. No amendments are made to the non-negotiable provisions and all negotiated points have been fully dialogued with the Authority prior to submission of the final tender. Any points which cannot be completed until after the award of the Contract have been identified in full. No new amendments are proposed in the Contract submitted with the Final Tender which have not been raised previously and agreed by the Authority.	P/F
<b>B.1 Funding &amp; Financial Viability</b>	<p><b>B.1.1</b> The Bidder confirms and clearly demonstrates, with a cash flow forecast, their financial ability to fund the proposed development. The Bidder confirms that the appropriate cash funds and debt credit lines are in place / will be in place in the Final Tender.</p> <p><b>B.1.2</b> The Bidder proposes a viable structure to deliver the scheme and which is demonstrated in the Final Tender. All parties, including the Developer, Investor and Operator are in place / will be in place in the Final Tender. A feasibility study is included, providing assurance of the financial performance of all aspects of the development.</p> <p><b>B.1.3</b> The Bidder presents a full summary of their development appraisal and explains the assessment which is supported with clear and detailed analytical market data. The Bidder's financial model is transparent and coherent, presenting realistic and credible cash flow projections through all phases from development through to post-implementation.</p>	25%  20%  15%
<b>B.2 Conditions and Qualifications</b>	<b>B.2.1</b> The Bidder demonstrates detailed and clear knowledge of the conditions and qualifications which may apply to the scheme and which are likely to be included within the Final Tender.	10%
<b>B.3</b>	<b>B.3.1</b> The Authority owned land will be sold by way of a long lease in return for long term income, rather than a capital premium for the site, from the completed development by way of a ground rent or a similar structure. The Bidder demonstrates an understanding that the Authority will enter into a Lease and a Development Agreement with the Bidder for	15%

<b>Commercial Proposal</b>	<p>the construction of the proposed scheme, and a Head Lease for the site operation, and provides assurance of their arrangements for such. The Commercial Proposal offered is consistent with the Authority's draft Contract documents.</p> <p><b>B.3.2</b> The Bidder proposes commercial terms for the Head Lease with a clear ground rent payment structure. Realistic incentivised / geared rent structures will receive higher marks in accordance with the Evaluation Criteria.</p>	15%
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<b>SECTION C</b>	<b>STRUCTURE OF SCHEME DELIVERY</b> <b>Section Weighting: 25%</b>	<b>Each section adds up to 100%</b>
<b>Criteria</b>	<b>Sub-Criteria</b>	<b>Weighting (%)</b>
<b>C.1</b>  <b>Project Management</b>	<p><b>C.1.1</b> The Bidder's proposal must demonstrate strong project management and available resources.</p> <p><b>C.1.2</b> The Bidder describes (and the Final Tender must include) the programme plan, which includes milestone dates for all the key activities (including, but not limited to, planning, and any other relevant, site applications; start on site dates, etc.). Bidders will score more highly for a clear programme and committed delivery milestones.</p>	30%  25%
<b>C.2</b>  <b>Delivery Team &amp; Sub-Contractor arrangements</b>	<p><b>C.2.1</b> The Bidder's delivery team, sub-contract and outsourcing arrangements are clearly defined and well established. The management and apportionment of risk are clearly stated. There is an appropriate consultant team which demonstrates its ability to manage the project during the design, planning and construction. There are suitable resources available to manage the project. The Bidder must provide information of key sub-contractors proposed and how it proposes to work effectively together. The Bidder must propose how the communication routes between design and construction team will work in practice.</p> <p><b>C.2.2</b> The Bidder describes / the Bid will include details of working relationships with the professional team including without limitation architects; cost consultants; planning consultants; contractors; etc.</p>	25%  20%

<b>SECTION D</b>	<b>PLANNING AND DEVELOPMENT OF THE PUBLIC REALM</b> <b>Section Weighting: 10%</b>	<b>Each section</b>
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		<b>adds up to 100%</b>
<b>Criteria</b>	<b>Sub-Criteria</b>	<b>Weighting (%)</b>
<b>D.1 Planning Application &amp; Risk</b>	<p><b>D.1.1</b> The Bidder's proposal sets out a simple approach that demonstrates an understanding of the planning process, makes suitable and timely arrangements for meeting planning requirements, including all necessary planning communications, and for managing planning risk for the site.</p> <p><b>D.1.2</b> The Bidder's proposal will include a masterplan, with floor plans for the hotel, serviced apartments and residential / other use components.</p>	<p>50%</p> <p>50%</p>

<b>SECTION E</b>	<b>WORKING WITH THE AUTHORITY &amp; DELIVERING SOCIAL VALUE</b> <b>Section Weighting: 10%</b>	<b>Each section adds up to 100%</b>
<b>Criteria</b>	<b>Sub-Criteria</b>	<b>Weighting (%)</b>
<b>E.1</b>	<p><b>E.1.1</b> The Bidder provides a detailed proposal of how they will work proactively with the Authority to ensure the successful delivery of all phases of the scheme, including the frequency of any contract meetings, schedule of issuing of project reports, etc.</p> <p><b>E.1.2</b> The Bidder describes in full the methods by which they will monitor their supply chain to ensure: the prevention of any Modern Slavery; the ethical sourcing of all materials; the engagement of local labour and apprentices for the project build and for the operation of the hotel; and how they will ensure best value for the Authority.</p>	<p>50%</p> <p>50%</p>

# BIDDER COMMERCIAL OFFER (30% OF SCORE)

## PLEASE USE THIS TEMPLATE TO PRESENT YOUR COMMERCIAL OFFER

ONLY ENTER INFORMATION INTO GREY CELLS, AND ENSURE THAT ALL GREY CELLS CONTAIN INFORMATION

ALL CELLS FOR THE PERIOD POST THE STABILISATION PERIOD WILL SELF-CALCULATE



The Hotel (Annual Base Ground Rent and Ground Rent Turnover) is 20% of the available marks and the Sales Income Split is 10% of the available marks). The bidder which offers the highest number will score full marks for each question.

**HOTEL** Annual Base Ground Rent and Ground Rent Turnover  
(20% of marks)

P&L Summary		Construction Phase			Operational Phase									
Methodology		2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
	Anticipated Annual Revenue													
A	Annual Base Ground Rent	£1	£1	£1		£0	£0	£0	£0	£0	£0	£0	£0	£0
B	Ground Rent - Turnover Surplus	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
	% Revenue	#DIV/0!	#DIV/0!	#DIV/0!										
A+B	<b>Total Ground Rent Offer</b>				£0	£0	£0	£0	£0	£0	£0	£0	£0	£0

SUM(D21:P21) **10-Year Cumulative Ground Rent** £0

**RESIDENTIAL** Sales Income Split  
(10% of marks)

Value / sqft of Residential Sales area which the Bidder will pay to the Authority

## Appendix 3 – Tender Evaluation Scores

WATERFRONT DEVELOPMENT PROJECT	
Project Quality weighting (%):	70%
Project Price weighting (%):	30%

Quality submissions Evaluated by:	Richard Mortimer, Asset Manager; Richard Candey, Cushman and Wakefield; Will Deeprose, Clyde & Co (Legal Advisors); David Hansom, Clyde & Co; Victoria Statham, Principal Solicitor; Hilary Gillies, Procurement Consultant <b>Section A only</b> Cllr Ian Harvey; Cllr Tony Harman; Cllr Helen Harvey; Cllr Olivia Rybinski
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QUALITY SCORES (70%)	
Example Technical & Quality Criteria	Section Criteria Weight
A UNDERSTANDING THE SITE & THE REQUIREMENT	30%
B FUNDING & FINANCIAL VIABILITY AND COMMERCIAL ARRANGEMENTS	25%
C STRUCTURE OF SCHEME DELIVERY	25%
D PLANNING AND DEVT. OF THE PUBLIC REALM	10%
E WORKING WITH THE AUTHORITY & DEL SOCIAL VALUE	10%
<b>Quality Totals</b>	<b>100%</b>
<b>WEIGHTED QUALITY SCORES ( X 70%)</b>	

Bidder A		Bidder B	
	Section Weighted Score		Section Weighted Score
	18.00		28.80
	16.00		21.50
	18.75		20.25
	7.00		8.00
	6.00		8.00
	<b>65.75</b>		<b>86.55</b>
<b>QUALITY SCORE</b>	<b>65.75</b>	<b>QUALITY SCORE</b>	<b>86.55</b>
<b>70% x 65.8 =</b>	<b>46.03</b>	<b>70% x 86.6 =</b>	<b>60.59</b>

COMMERCIAL OFFER SCORES (30%)	
1. 10 Year Cumulative Ground Rent offer out of 20%	WEIGHTED GROUND RENT SCORE
2. Sales Income Split out of 10%	WEIGHTED VALUE / SQ FT SCORE
<b>TOTAL COMMERCIAL OFFER SCORE (out of 30%)</b>	

Evaluated by:	Richard Mortimer, Asset Manager; Richard Candey, Cushman and Wakefield; Hilary Gillies, Procurement Consultant		
Bidder A		Bidder B	
	7.19%		20%
	1.64%		10%
	<b>8.83%</b>		<b>30%</b>

<b>TOTAL WEIGHTED SCORE (QUALITY AND COMMERCIAL)</b>	<b>54.86%</b>	<b>90.59%</b>
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