

**BIRMINGHAM CITY COUNCIL
PUBLIC REPORT**

Report to:	CABINET
Report of:	CORPORATE DIRECTOR, ECONOMY
Date of Decision:	6 MARCH 2018
SUBJECT:	PEDDIMORE – APPOINTMENT AND CONTRACT AWARD OF THE PREFERRED BIDDER , PHASE 1 SITE
Key Decision: YES	Relevant Forward Plan Ref: 004617/2018
If not in the Forward Plan: (please "X" box)	Chief Executive approved
Relevant Cabinet Member:	O&S Chairman approved
	THE LEADER OF THE COUNCIL AND THE CABINET MEMBER FOR COMMERCIALISM, COMMISSIONING AND CONTRACT MANAGEMENT
Relevant O&S Chairman:	CLLR MOHAMMED AIKH LAQ - CORPORATE RESOURCES AND GOVERNANCE
Wards affected:	SUTTON NEW HALL

1. Purpose of report:

- 1.1 The Birmingham Development Plan was adopted by the Council on 10th January 2017. The Plan released the Peddimore site in Sutton Coldfield for employment development. The developable area of the Peddimore site is approx. 71 hectares of which approx. 65 hectares (approx. 160 acres net developable) is in the ownership of the Council. The Council's land ownership at Peddimore is shown at Appendix 1 of these reports, which also shows the approximate boundaries of the phase 1 site and the phase 2 site.
- 1.2 The disposal and development of the Peddimore site reflects the emerging new approach being taken by the Council to its property assets with an increased emphasis on quality and the delivery of the Council's Social Value objectives. The site provides a unique opportunity to provide a major high quality employment site that will attract significant investment, providing thousands of jobs and boosting inclusive economic growth in the City and in the wider West Midlands region.
- 1.3 The Cabinet reports dated 14 February and 18 April 2017 approved resources, the strategy and the process for the marketing of the phase 1 site with a view to formally procuring a development partner under the Public Contracts Regulations 2015. The reports also authorised the launch of the Prior Information Notice (PIN) at the 2017 MIPIIM property conference.
- 1.4 The purpose of this report is to note the outcome of the procurement process undertaken, to award a contract for the phase 1 site to the preferred bidder, to approve the agreed commercial terms of the transaction and to approve the agreed developer obligations. Further commercially confidential details are contained within the accompanying Private report, which also notes the resource requirements needed to deliver the phase 2 site.

2. Decision(s) recommended:

It is recommended that Cabinet:

- 2.1 Notes the report.

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3. Consultation

3.1 Internal

- 3.1.1 Sutton New Hall Ward Members were consulted on the Birmingham Development Plan which was formally adopted by the Council on 10 January 2017. The Ward Members were also consulted on the February and April 2017 Cabinet reports. Further consultation with Ward Members has been undertaken in respect of this report, including a meeting held on 22 February 2018. The Ward Members had no adverse comments on the proposals. The outcome of all internal Ward Member consultation is summarised in Appendix 4.
- 3.1.2 The Cabinet Members for Transport and Roads and for Clean Streets, Recycling and Environment have been consulted and are supportive of the report going forward for executive decision.
- 3.1.3 The Assistant Directors of Transportation and Connectivity and Birmingham Property Services have been consulted and are in agreement with the recommendations.
- 3.1.4 Legal and Governance, Procurement and City Finance have also been involved in the preparation of this report.

3.2 External

- 3.2.1 In preparing this report for March Cabinet, the Sutton Coldfield MP and the Royal Sutton Town Council have been consulted. The outcome of all external consultation is summarised in Appendix 4.

4. Compliance Issues:

4.1 Are the recommended decisions consistent with the Council's policies, plans and strategies?

- 4.1.1 The proposal contributes towards the Council's Vision and Forward Plan 2017;
- Jobs for Skills – by supporting the development of a major strategic site with the installation of new highways infrastructure improving connectivity and the creation of jobs harnessing opportunity for the citizens of Birmingham.
 - Health – from sustainably developing the site and trying to introduce innovation to minimise the impact of the scheme on the environment.
 - Sustainability - as the city continues to grow citizens will be supported with a high quality of life within environmental limits by the development being future-proofed in consideration of transport, energy and sustainable buildings, alongside inclusive economic growth.

4.1.2 Birmingham Business Charter for Social Responsibility (BBC4SR)

Compliance with the BBC4SR is a mandatory requirement in the conditions of this contract. Bidders provided, along with their Final Tender submissions, an action plan that was evaluated in accordance with the evaluation criteria. The action plans of the preferred bidder will be implemented and monitored during the contract period.

4.2 Financial Implications

- 4.2.1 The disposal and development of the phase 1 site (subject to obtaining planning permission) generates a significant capital receipt for the Council. The transaction structure provides the enabling development also at the cost of the developer. The phase 2 site will be retained by the Council and it will be released for employment development in the future. The disposal of the phase 2 site will also generate new capital receipts and or revenue income streams for the Council.
- 4.2.2 The Cabinet report of April 2017 stated that we may need to secure funding from Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP). However as a consequence of the proposed contract award, there is not a requirement for this funding. This enables the funding to be targeted towards meeting other priorities.
- 4.2.3 In relation to this proposed transaction there are no adverse VAT implications for the Council.

4.3 Legal Implications

- 4.3.1 Under the general power of competence in Section 1 of the Localism Act 2011 (The Act) the Council has the power to enter into arrangements set out in this report. They are within the boundaries and limits of the general power of competence set out in sections 2 and 4 of the Act.
- 4.3.2 The Council has a duty to efficiently manage its assets and has the power to hold and dispose of land under Sections 120 and 123 of the Local Government Act 1972.

4.4 Public Sector Equality Duty

- 4.4.1 Equality Assessment (EA) number EA001787 is included at appendix 2 and at this stage a full EA is not required. This is due to the fact the project requires a development partner to market the site and a procurement exercise has been undertaken to achieve this. There were no implications or impacts identified having undertaken the initial EA. Once a development partner is appointed a further EA will be undertaken to assess the impact on the protected characteristics prior to the commencement of the infrastructure plans.

5. **Relevant background/chronology of key events:**

- 5.1 The strategy for the delivery of the Peddimore site reflects the emerging new approach being adopted to managing the development of the Council's property assets. This seeks a more active engagement in the development process longer term, with a focus on delivering a high quality place and introduces developer social value commitments as part of the assessment criteria. Previous strategies have sought an early disposal of Council property assets with a focus mainly on price.
- 5.2 The purpose of the procurement process was to appoint a preferred bidder with proven financial and technical capability to deliver this major scheme for both the City and region. A two phase development strategy was approved by Cabinet in April 2017, with the OJEU marketing of the phase 1 site (approx. 37 hectares), which commenced in the summer of 2017. The phase 2 site (approx. 28 hectares) will remain in the Council's ownership.
- 5.3 The procurement process obligates the preferred bidder to provide the necessary infrastructure to service the phase 1 site installing also preliminary services to the perimeter of the phase 2 site retained by the Council. The developer infrastructure will include a new roundabout on the A38, internal estate roads and the installation of all utilities. The new access will also connect into the Langley Sustainable Urban Extension and public transport links.
- 5.4 The tenders assessment criteria sought to achieve the following outcomes:
- The preferred bidder has to deliver Social Value commitments within the Development Agreement, create new employment opportunities and deliver a high

quality sustainable development in contributing to help boost the local and regional economy and to develop an environmentally sustainable development with reference to Zero Emissions Cities in the design, development and occupational stages of the scheme.

- The preferred bidder has to submit a planning application for the entirety of the Peddimore Site in order to accord with the policies of the Birmingham Development Plan (BDP) and the draft Peddimore Supplementary Planning Document (SPD)
- The preferred bidder will install all necessary infrastructure and servicing for phase 1 that accords with the Council's policies including waste prevention and collection. This will result in access and preliminary utilities being provided to the perimeter of the phase 2 site, accelerating its development. The phase 2 site is retained by the Council.
- A commitment to build out a minimum level of initial industrial/logistics development.
- Payment of costs to offset some of the Council's upfront investment and payment of a minimum land price (premium) for the phase 1 site following the attainment of a planning consent. Further, a reconciliation process will be undertaken to ensure that the Council shares in the benefits of any cost savings realised.

5.5 The developer selection process sought to deliver the Council's objectives and began with the publication of the Prior Information Notice (PIN) at MIPIM in March 2017. This was followed by a number of tendering stages and face to face commercial negotiations in accordance with the procurement process. 16 initial bids were received in July 2017 and after a further two stages of evaluation, the final 3 tender bids were assessed in January 2018. During the tender process bidding has been extremely strong, but with the preferred bidder being recommended for approval, remaining the strongest bidder at the final stage of tendering.

5.6 The procurement methodology and process is shown in Appendix 4. The details of the preferred bidder, the terms of the transaction and developer obligations are included in the Private Report.

6. Evaluation of alternative options:

6.1 Not to award the contract and appoint the preferred bidder. This would not realise the economic, social, fiscal and environmental benefits locally and regionally that derive from this procurement process and the development of the Peddimore site.

7. Reasons for Decision(s):

7.1 To approve the decision to appoint the preferred bidder for the development of the phase 1 of the Peddimore site.

Signatures

Date

Leader of the Council – Cllr Ian Ward

Cabinet Member for Commercialism,
Commissioning and Contract Management
– Cllr Majid Mahmood

Waheed Nazir, Corporate Director, Economy

List of Background Documents used to compile this Report:

1. Birmingham Development Plan
2. Cabinet Reports – Peddimore Employment Site dated 14 February 2017 and 18 April 2017

List of Appendices accompanying this Report (if any):

1. Appendix 1 – Site Plan
2. Appendix 2 - Equality Assessment EA001787
3. Appendix 3 – Procurement Methodology for a Development Partner
4. Appendix 4 – Summary of Internal Ward Member and External consultation

PEDDIMORE, BIRMINGHAM**PROCUREMENT METHODOLOGY FOR A PREFERRED BIDDER FOR THE PHASE 1 SITE****1. The Project Delivery Team**

1.1 The delivery and day to day management of the project has been led by officers from Economy, working under the governance and guidance of the Project Board which comprises officers from across the Council including input from Corporate Procurement. To further support the in-house delivery team with adequate and specialist resources, contracts were awarded for professional services for the following:

a. **Commercial and Technical Consultants**

Following a competition exercise using the Crown Commercial Services (CCS) Estate Professional Services Framework Agreement, GVA Grimley Ltd was approved under Chief Officer delegated authority to support the sale and development of the phase 1 site and the delivery of the phase 2 site at a later date. A number of sub-consultants were also used to develop the masterplan and undertake critical technical surveys which de-risked the site, supported site marketing and promotion and ultimately aided the development market to submit detailed and robust bids. These contracts were approved under Chief Officer delegated authority. There is a strategic need to retain the services of GVA Grimley Ltd and to commence single contractor negotiations to extend the commission for a further period. Further details are contained in the Private Report.

b. **Legal Consultants**

Following a competition exercise using the Crown Commercial Services (CCS) Legal Services Framework Agreement, Pinsent Masons LLP was appointed to provide legal support for the project. The scope of work was to advise on determining the best procurement route, host and manage the data room, guide and manage the implementation of the procurement and provide legal services property development and development agreement advice. During the procurement process Pinsent Masons LLP would also lead and manage the legal negotiations on behalf of the Council. Pinsent Masons has been appointed for phase 1 and to support the delivery of the phase 1 site so that it does not adversely impact the Council's retained phase 2 site through the process of finalising contracts and construction of phase 1. There is a strategic need to retain the services of Pinsent Masons LLP and to enter into single contractor negotiations to extend the commission for a further period. Further details are contained in the Private Report.

2. The Procurement Strategy

2.1 In view of the development and delivery strategy, the procurement strategy sought to appoint a development partner who provided the most economically advantageous proposal to the Council at the end of the process.

2.2 In developing the strategy for the route to market, the Project Board considered the following procurement routes:

- **Open Procedure:** It was found that this is not suitable for a project of the complexity of Peddimore. This procedure does not allow a down selection of bidders or permit any

negotiations to be entered into in shaping the final solution.

- **Restricted Procedure:** This option was discounted as this procedure does not permit any negotiations to be entered into in shaping the final solution.
- **Competitive Procedure with Negotiation (CPN):** This procedure allows shortlisting of bidders, a series of commercial and legal negotiation sessions together with the submission of initial, detailed and final tenders. The process also allows for de-selection during the various tender stages.
- **Competitive Dialogue Procedure:** This is a more complex and time consuming procurement route, which was considered not to be the most appropriate solution given that the Peddimore development and delivery strategy was clear and approved by Cabinet in April 2017.
- **Innovation Partnership Procedure:** This route was discounted on the basis that although the project is complex, the market place exists and there is no requirement for an innovative and specialised outcome to be developed.

2.3 In view of the above options, the Project Board selected CPN. This procedure was considered to deliver the Council's desired outcomes more comprehensively and efficiently with the additional benefit of minimising project management costs.

2.4 The CPN stages that have been followed by the Project Team using this process are shown in table 1.1 below:

Table 1.1 – Stages of CPN

Stage One:	Selection Questionnaire (SQ). SQ issued into the market based upon an assessment of financial standing, track record and capability. 6 parties would be shortlisted to proceed to the next stage and submit initial tenders.
Stage Two:	Invitation to Submit Initial Tenders (ISIT). 6 parties invited to submit initial tenders in response to issuing the ISIT. At this stage 4 parties were shortlisted to proceed to the next detailed tenders stage.
Stage Three:	Invitation to Submit Detailed Tenders (ISDT). 4 parties to submit detailed tenders in response to issuing of the ISDT. At this stage 3 parties were shortlisted to proceed to the next final tenders stage.
Stage Four:	Invitation to Submit Final Tenders (ISFT). 3 parties to submit final tenders in response to issuing of the ISFT. At this stage following final evaluation and moderation, a preferred bidder was identified for Cabinet approval.

3. Evaluation Strategy

3.1 In order to evaluate the offers received, each bid was evaluated against a set of criteria reflecting

the Council's project, economic, environmental, social value and fiscal objectives. The key themes of the evaluation were:

- A property marketing strategy for the phase 1 site maximising occupier interest.
- Masterplanning proposals for the site and a planning strategy aimed at delivering the vision of Peddimore cognisant of the policies of the Birmingham Development Plan.
- A strategic approach to delivering the access junction and a site servicing strategy.
- To meet the Council's aspirations in respect of Social Value.
- A review and scrutiny of property development financial appraisals.
- To contribute towards the Council's costs.
- A non-returnable deposit paid on exchange of contracts.
- A minimum land value price paid on completion once planning is obtained.
- Proposals to share with the Council any costs savings realised from infrastructure development.

3.2 These key themes and evaluation points were outlined within the Heads of Terms and expanded in detail in the versions of the tender documents that were issued at each stage of the process outlined in table 1.1.

4. Evaluation Criteria and Methodology

4.1 Supplier Selection Questionnaire (SQ) Stage

4.1.1 The evaluation criteria used at the Selection Questionnaire stage (SQ) is shown in table 1.2.

Table 1.2 – SQ evaluation criteria

SQ EVALUATION CRITERIA		EVALUATION METHOD
Stage 1	Preliminary Compliance	
Stage 2	Pass / Fail Assessment	
Part 1	Potential Supplier Information	Pass / Fail
Part 2	Exclusion Grounds	Pass / Fail
Part 3	Selection / Additional Questions:	
Part 3 S 5	Group Structure	Information Only
Part 3 S 6	Technical and Professional Ability	Pass / Fail
Part 3 S 7	Modern Slavery Action 2015	Pass / Fail
Part 3 S 8.1	Insurance	Pass / Fail
Part 3 S 9.3	Health and Safety	Pass / Fail
Part 3 S 9.4	Compliance with Equalities Duties	Pass / Fail
Part 3 S 9.5	Birmingham Business Charter for Social Responsibility (BBC4SR)	Pass / Fail
Part 3 S 9.6	Litigation	Pass / Fail
Stage 3	Technical Assessment	
Part 3 S 9.1	Project Specific Questions – Past Performance	Scored
Part 3 S 9.2	Project Specific Questions - CVs	Scored
Stage 4	Financial Technical Assessment	
Part 3 S 4	Economic and Financial Standing	Pass / Fail

- 4.1.2 On 5th July 2017 the procurement process formally commenced with the publication of the Contract Notice (reference 2017/S 126-255801) and advertised on www.finditinbirmingham.com and Contracts Finder and the opportunity was immediately available for interested parties to download onto the Council's tender portal, INTend. A press release announcing the commencement of the process was released to various specialist property trade publications.
- 4.1.3 During the tender period, bidders had the opportunity to contact the Council via the INTend portal if there was any doubt as to the interpretation of the SQ and Data Room documentation or if they considered that any of the requirements were ambiguous. All clarification questions received were duly responded to all bidders before the tender return deadline.
- 4.1.4 The deadline for the return of SQ submissions was 31st July 2017. In response to the advertisement, 40 firms expressed an interest and were requested to complete and return the SQ documentation. 16 firms responded by submitting an SQ tender and 24 firms effectively withdrew themselves from the process, at this stage, by not returning an SQ.
- 4.1.5 The evaluation of SQ responses was carried out by representatives from Planning and Regeneration, Transportation and Infrastructure and Birmingham Property Services with the moderation undertaken by the Corporate Director, Economy.
- 4.1.6 The evaluation process was overseen by the Council's Procurement team with further oversight provide by the project solicitors, Pinsent Masons and support provided by GVA. Input has also been received from Officers responsible for Social Value.
- 4.1.7 The SQ stated that the top six ranked bidders would proceed to Stage 2 – Invitation to Submit Initial Tenders (ISIT).
- 4.1.8 Following the evaluation and moderation process, the Corporate Director, Economy approved and signed off the shortlist of six bidders to proceed to the next stage.

4.2 Stage 2 – Invitation to Submit Initial Tenders (ISIT)

- 4.2.1 On 18th August 2017, the six shortlisted bidders were issued with the ISIT document and requested to respond by 18th September 2017.
- 4.2.2 The purpose of the ISIT was to receive bidder responses demonstrating in detail the approach to be adopted in meeting the requirements of the Council. The way in which evaluation was carried out, and the weighting allocated was detailed in the ISIT document issued to the short listed parties. The data room was also updated and the shortlisted bidders were given access to the data room.
- 4.2.3 The evaluation criteria used at the ISIT stage is shown in table 1.3.

Table 1.3 – ISIT evaluation criteria

Headline Criteria		Sub-Criteria	
60%	A – Technical (67%)	A.1	Marketing and Development Principles (8%)
		A.2	Planning Obligations (approach) (8%)
		A.3	Planning Obligations (strategy adopted if planning application is refused) (3%)
		A.4	Road Infrastructure Obligations (roundabout) (8%)
		A.5	Road Infrastructure Obligations (highways improvements) (2%)

		A.6	Road Infrastructure Obligations (internal road infrastructure) (5%)
		A.7	Servicing Obligations (11%)
		A.8	Obligations to develop buildings (8%)
		A.9	Masterplan approach (6%)
		A.10	Approach to liaison with the Council (3%)
		A.11	Estate Management (5%)
	B – Legal (33%) <i>N.B. mandatory clauses will be evaluated on a 'pass/fail' basis</i>	B.1	Legal assessment (33%)
10%	C – Social Value (100%)	C.1	Local Employment (35%)
		C.2	Buy Birmingham First (20%)
		C.3	Partners in Communities (25%)
		C.4	Green and Sustainable (20%)
30%	D – Price Assessment (30%)	D.1	Contribution to Council's costs (26%)
		D.2	Headline price (37%)
		D.3	Development appraisal (37%)
Pass/Fail	E – Minimum Requirements	E.1	Submit planning application within twelve months
		E.2	Non-refundable deposit on exchange
100%			

- 4.2.4 During the tender period, bidders had the opportunity to contact the Council via the INTend portal to raise any clarification questions. All clarification questions received were duly responded to all bidders before the tender return deadline.
- 4.2.5 Four bidders returned a response by the return deadline of 18th September 2017.
- 4.2.6 The evaluation of ISIT responses was carried out by representatives from Planning and Regeneration, Transportation and Infrastructure and Birmingham Property Services with the moderation undertaken by the Corporate Director, Economy.
- 4.2.7 The evaluation process was overseen by the Council's Procurement team with further oversight provide by the project solicitors, Pinsent Masons and supported by GVA. Input has also been received from Officers with responsibility for Social Value.
- 4.2.8 The ISIT document stated that the top four ranked bidders would proceed to Stage 3 – Invitation to Submit Detailed Tenders (ISDT).
- 4.2.9 The ISIT bids were reviewed, evaluated and moderated. The agreed recommendation with the Moderator was that all four bidders were to be invited to submit detailed tenders.
- 4.2.10 Following the evaluation and moderation process, the Corporate Director, Economy approved and signed off the short list of four bidders to proceed to the next stage.

4.3 Stage 3 – Invitation to Submit Detailed Tenders (ISDT)

- 4.3.1 At this stage in the process, a draft Development Agreement and Lease had been drafted in accordance with the Draft Heads of Terms that had previously been provided to the bidders at SQ and ISIT stages. Accordingly as part of bidders submitting their "improved" detailed tenders, responses by way of "marking up" the draft Development Agreement and Lease, were requested.

4.3.2 The ISDT stage was commenced through a series of feedback and negotiation meetings with each of the bidders held separately. The sessions, chaired by the Corporate Director, Economy and supported by the Council's evaluation team, focused on providing detailed feedback in the following areas:

- Technical (planning, highways, transportation and infrastructure)
- Social Value
- Price
- Legal responses

4.3.3 Following on from the commercial, technical and legal feedback sessions, the Data Room was updated to include the Invitation to Submit Detailed Tenders (ISDT). The tender document was issued on 19th October 2017 with a date of 13th November set for the receipt of responses to the detailed tender stage.

4.3.4 The ISDT evaluation criterion is shown in the table 1.4 below.

During the detailed tender process, bidders were expected to “fine-tune” their response ensuring that each of the evaluation criteria captured robust tender responses across all areas. Further, bidder minimum requirements were introduced into the tendering process to ensure the Councils objectives are achieved.

Table 1.4 – ISDT evaluation criteria

Headline Criteria		Sub-Criteria
60%	A – Technical (67%)	A.1 Phase 2 Marketing and Development Principles (10%)
		A.2 Phase 1 Marketing Strategy (6%)
		A.3 Masterplan approach (10%)
		A.4 Planning Strategy (12%)
		A.5 Servicing Obligations (12%)
		A.6 Obligations to develop buildings (8%)
		A.7 Estate Management (9%)
		A.8 Post contract award matters (Not evaluated)
	B – Legal (33%) <i>N.B. mandatory clauses will be evaluated on a 'pass/fail' basis</i>	B.1 Legal assessment (33%)
10%	C – Social Value (100%)	C.1 Local Employment (35%)
		C.2 Buy Birmingham First (20%)
		C.3 Partners in Communities (25%)
		C.4 Green and Sustainable (20%)
30%	D – Price Assessment (30%)	D.1 Development Appraisals (5%)
		D.2 Net Purchase Price (4%)
		D.3 Minimum Net Purchase Price (12%)
		D.4 Deposit (7%)
		D.5 Approach to Phase 2 – Case Study (2%)

Headline Criteria		Sub-Criteria
Pass/Fail	E – Minimum Requirements	E.1 Submit planning application within twelve months E.2 Provision of £300,000 plus VAT non-refundable contribution to the Council's costs on exchange E.3 Non-refundable deposit on exchange E.4 Minimum build obligation
100%		

- 4.3.5 Following consultation with the bidders, the deadline for receipt of detailed tenders was extended to 17th November 2017.
- 4.3.6 During the tender period, bidders had the opportunity to contact the Council via the INTend portal if there was any doubt as to the interpretation of the ISDT documentation or if they considered that any of the requirements were ambiguous. All clarification questions received were duly responded to all bidders before the tender return deadline.
- 4.3.7 Four bidders returned a response by the return deadline of 17th November 2017.
- 4.3.8 The evaluation of ISDT responses was carried out by representatives from Planning and Regeneration, Transportation and Infrastructure and Birmingham Property Services with the moderation undertaken by the Corporate Director, Economy.
- 4.3.9 The evaluation process was overseen by the Council's Procurement team with further oversight provide by the project solicitors, Pinsent Masons and supported by GVA. Input has also been received from Officers with responsibility for Social Value.
- 4.3.10 The ISDT document stated that the top three ranked bidders would proceed to Stage 4 – Invitation to Submit Final Tenders (ISFT).
- 4.3.11 Following the evaluation and moderation process, the Corporate Director, Economy approved and signed off the short list of three bidders to proceed to the final stage.

4.4 Stage 4 – Invitation to Submit Final Tenders (ISFT)

- 4.4.1 The last stage of the process was to request final tenders. The evaluation criteria used for the ISFT was similar to the evaluation criteria used at the ISDT stage but updated in areas to ensure that final tenders are fully completed. The Council and the bidders entered into a final negotiation and feedback stage enabling bidders to respond comprehensively in the areas of social value, technical and price ensuring that the final tenders would fully reflect the Council's objectives with an agreed form of the Development Agreement also submitted by bidders. The final tender stage also confirmed to bidders that once tenders were received, there is no opportunity to materially change the commitments, proposals and that the final development agreement entered into had to be fully reflective of the final bids received.
- 4.4.2 The ISFT evaluation criterion is shown in table 1.5 below.

Table 1.5 – ISFT evaluation criteria

Headline Criteria		Sub-Criteria
60%	A – Technical (67%)	A.1 Phase 2 Marketing and Development Principles (10%)
		A.2 Phase 1 Marketing Strategy (6%)
		A.3 Masterplan approach (10%)

		A.4	Planning Strategy (12%)
		A.5	Servicing Obligations (12%)
		A.6	Obligations to develop buildings (8%)
		A.7	Estate Management (9%)
		A.8	Post contract award matters (Not evaluated)
		A.9	Milestones and dates (Not evaluated)
		A.10	Access Strip Plan (Not evaluated)
	B – Legal (33%)	B.1	Legal assessment (33%) Scored as a pass / fail and bidders which pass receive the full 33% allocation of marks available
10%	C – Social Value (100%)	C.1	Local Employment (35%)
		C.2	Buy Birmingham First (20%)
		C.3	Partners in Communities (25%)
		C.4	Green and Sustainable (20%)
30%	D – Price Assessment (30%)	D.1	Development Appraisals (5%)
		D.2	Net Purchase Price (4%)
		D.3	Minimum Net Purchase Price (12%)
		D.4	Deposit (7%)
		D.5	Approach to Phase 2 – Case Study (2%)
Pass/Fail	E – Minimum Requirements	E.1	Submit planning application within twelve months
		E.2	Provision of £300,000 plus VAT non-refundable contribution to the Council's costs on exchange
		E.3	Non-refundable deposit on exchange
		E.4	Minimum build obligation
100%			

- 4.4.3 The purpose of the ISFT is to close the tendering process and the evaluation criteria adopted by the evaluation team was designed to ensure that all strategies and obligations agreed with each bidder, through the negotiation and the tender submission would be suitable for feeding into and appending to the final Development Agreement which bidders accept as part of their final tender submission.
- 4.4.4 Further, at this stage, it also became important to ensure that any access strips of land from the Peddimore site to other development sites, not owned by the Council, were retained to ensure that the value of the Council's land ownership was appropriately recognised in the future.
- 4.4.5 The ISFT stage was launched with a number of negotiation meetings and legal meetings held during week commencing 4th December 2017. Following those meetings, the ISFT was issued to bidders on 13th December 2017 with a request for final tenders to be received on 21st December 2017.
- 4.4.6 During the tender period, bidders had the opportunity to contact the Council via the INTend portal if there was any doubt as to the interpretation of the ISDT documentation or if they considered that any of the requirements were ambiguous. All clarification questions received were duly responded to all bidders before the tender return deadline.
- 4.4.7 Three bidders returned a response by the return deadline of 21st December 2017.
- 4.4.8 The evaluation of ISFT responses was carried out by representatives from Planning and Regeneration, Transportation and Infrastructure and Birmingham Property Services with the moderation undertaken by the Corporate Director, Economy.

- 4.4.9 The evaluation process was overseen by the Council's Procurement team with further oversight provide by the project solicitors, Pinsent Masons and supported by GVA. Input has also been received from Officers with responsibility for Social Value.
- 4.4.10 The results of the ISFT evaluations are summarised in the Private Agenda report along with the confidential information relating to the bidder's and their tender responses.