



**Corporate Governance**  
**Wayne Baxter, Chief Procurement Officer**

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Email: [cath.follin@leeds.gov.uk](mailto:cath.follin@leeds.gov.uk)

Your ref:  
Our ref: LCC23600 – Leeds Kirkgate  
Market project phase 1

Date: 30<sup>th</sup> September 2011

Dear Sirs / Madam

**Quotation for Consultancy for the Leeds Kirkgate Markets Project**

You are invited to submit quotation submissions including method statements and schedule of prices for specialist advice and documentation for the Kirkgate Market Project. Leeds City Council wishes to appoint an organisation (or an organisation with specialist sub-consultants) to provide specialist input as the council moves towards changing the ownership and management model of Kirkgate Markets and optimising the size of Kirkgate Markets. This short-term commission requires five deliverables:

- § an assessment of and written advice on the optimum size for the Kirkgate indoor and daily markets and the necessary steps to achieve that optimum size,
- § advice, following soft market testing (to be undertaken by the Consultant), on the likely interest from the private sector in investing in the market or forming a partnership with Leeds City Council;
- § written advice on the possible ownership and management models for Kirkgate Market to ensure the sustainability of the market and maximise potential investment into, and returns from, the market. The advice will include governance arrangements and will be based on the Consultant's knowledge and experience, including summaries/studies of existing models and their success;
- § advice to support the development of a methodology to evaluate submissions from private sector or other organisations who wish to invest in the markets or enter into a partnership with the council to own and or manage the market;



§ a programme/stage plan which sets out, and sequences, the actions required to reach the best ownership/management model for the Market and the optimum size for the market as identified above.

As an option, bidders may make proposals for any additional items that the bidder considers have been omitted in this brief to enable the commission to be successfully completed.

The evaluation framework the council wishes to progress will be focussed on economic and financial elements. Therefore, bidders should be able to demonstrate experience and understanding of the markets industry; business planning and financial appraisals.

The contract period for this commission is for three months with an option for the Council to extend this contract for a further period of six months.

To enable you to provide a submission I enclose the following documents:

1. Project Brief
2. Price Schedules
3. Evaluation Criteria
4. Conditions of Contract
5. General Information.
6. Confidentiality Agreement

If successful you will be required to complete the attached Confidentiality Agreement.

**Bids should be submitted electronically via the internet using the Council's electronic tendering system by logging onto [scms.alito.co.uk](http://scms.alito.co.uk)**

Please refer to item 5 of the General Information on how to submit your quotation.

**The deadline for the return of your quotation bid is noon on Wednesday 19<sup>th</sup> October 2011.**

Please study the documentation carefully and in the event of any enquiries please contact Cath Follin telephone Leeds (0113) 247 4474 or email the above address.

Yours sincerely

**Cath Follin  
Head of City Centre and Markets**

Enc.



## GENERAL INFORMATION

1. Tenderers must submit the quotation strictly in accordance with the attached specification/project brief.
2. Should organisations be in any doubt as to any technical aspects of the project brief, enquiries must be made to Cath Follin on telephone number (0113) 2474474 or e-mail [cath.follin@leeds.gov.uk](mailto:cath.follin@leeds.gov.uk) prior to prices being submitted.
3. All queries regarding the Quotation Documentation which may have a bearing on the offer should be raised by the Tenderer to Cath Follin, at least ten (10) working days before the date for return of Quotations. If necessary, answers to queries will be circulated to all Tenderers.
4. Tenderers must fully complete and sign the Price Schedule and submit it electronically. Quotations must only be submitted via the Council's electronic tender system ([scms.alito.co.uk](http://scms.alito.co.uk)) which is specifically set up for the receipt of Quotations, **no later than 12 noon on Wednesday 19<sup>th</sup> October 2011**. Late Quotations will not be accepted after the stated deadline has passed.
5. There is a limit of 10Mb per document when lodging an electronic Quotation via the Council's alito electronic tender system and Tenderers will be unable to lodge a Quotation where the combined file size exceeds 10Mb. Please note, however, that Tenderers may repeat the lodgement process as many times as necessary to submit all the appropriate documents provided the combined file size per lodgement does not exceed the 10Mb limit.
6. Signatures are still required when making an electronic submission however the typing in of the Tenderer's name is sufficient for this purpose.
7. Quotations will be automatically receipted once a lodgement is successfully completed and a copy of the receipt can be printed off.
8. Although submitted Quotations will be treated in the strictest confidence, Tenderers should be aware that documents will be made available to Trading Standards Departments, the Office of Fair Trading and other appropriate regulators (as the case may be), if required.
9. Tenderers should provide any potential third parties it appoints in relation to the Contract with all necessary technical and commercial information to enable such third parties to accurately quote to the Tenderer. Tenderers must declare their intention to sub-contract any part of the contract and list any proposed third parties in their Quotation submission.

10. It is the Council's policy not to respond to any direct approach from such potential third parties seeking details about a particular Invitation to Tender.

## 11. The Freedom of Information Act 2000

- 11.1 In accordance with Freedom of Information Act 2000, public organisations must respond within 20 working days to written requests for information. The information requested must be supplied unless it falls into specified categories of information which include: confidential, personal, trade secret, or information which would or would be likely to prejudice the tenderers or the Council's commercial interests. These categories are exemptions under which information need not be disclosed.
- 11.2 It is therefore the tenderer's responsibility to state in their Quotation submission any information which is to be treated as confidential, personal information, trade secret or may prejudice their commercial interests and to discuss this with the Council prior to submission.
- 11.3 Tenderers are advised that information which falls into our agreed interpretation of the legal definition of confidentiality, personal information, trade secret or prejudice to their commercial interests may still have to be disclosed in some circumstances. For example, if there were very strong public interest reasons for disclosure, the Council may have to disclose trade secrets, or information that would, or would be likely to, prejudice their commercial interests. The Council may be forced to make information public as a result of an appeal by a member of the public against our initial decision not to reveal information. The public can appeal through the Council's internal complaints procedure and ultimately to The Information Commissioner's Office, the government organisation responsible for enforcing the Act.
- 11.4 Tenderers need to provide contact details with the Quotation submission so that should the Council need to consult on an information request it can be done promptly within the 20 working days deadline.
- 11.5 Detailed guidance on contracts with third parties and confidentiality clauses, and the implications of The Freedom Of Information Act 2000 is available on the Council Website [www.leeds.gov.uk](http://www.leeds.gov.uk) under Information Governance. Further information can be obtained from The Information Commissioners Office web site using the link from our web site or [www.informationcommissioner.gov.uk](http://www.informationcommissioner.gov.uk)

# Quotation For Consultancy Services In Relation to the Kirkgate Markets Project

## Project Brief

### Introduction

Leeds City Council wishes to appoint an organisation to provide specialist input as the council moves towards changing the ownership and management model of Kirkgate Markets and optimising the size of Kirkgate Markets as part of the recently approved strategy. The organisation will play a key role in developing a delivery plan which will inform and direct the implementation of the Council's strategy. Capped prices are invited for the Services.

### Background Information

#### Kirkgate Markets' vision and objectives

Leeds markets are currently wholly owned and managed by Leeds City Council through its Markets service.

The Markets service is responsible for managing and developing all the council's retail markets, street trading and licensing commercial markets in the Leeds district. Its flagship is the Kirkgate Market which is located in the city centre and attracts over 10 million visitors annually.

The **Vision** for Kirkgate market is to be the best market in the UK:

- highly successful, profitable and sustainable;
- a centre of excellence for independent retailers and entrepreneurs;
- a top destination for residents and tourists.

Achieving this vision will enable Kirkgate Market to act as an important 'anchor' for the city centre, further enhance Leeds' reputation for independent retail and leisure and help Leeds become the best city in the UK.

The Markets service has a number of clear **objectives** to help realize this Vision:

- increase footfall
- increase new customers to the market
- increase frequency and duration of customers' visits
- increase income through new lets and business expansions
- increase the range of, and value for money of, goods and services
- reduce costs
- reduce the number of empty units
- reduce tenant turnover.

### Context

Leeds City Council owns the Market Charter rights.

Kirkgate Market is in a prime retail location in the heart of the city centre. It is housed in five interconnected halls: the Grade 1 listed 1904 hall, the 1875 hall, a 1930s

extension, and two 'temporary' hangar structures which form the rear of the indoor market. These were added in 1976 and 1981 following a fire at the market. (see attached plan). There is an open daily market at the rear of the building, which is immediately adjacent to the bus station. A £650m mixed retail development by Hammersons, (Eastgate Quarters) covering 1 million sq ft has just been given outline planning permission next to the market, which will reconnect the markets with the core retail offer to the west and north. It is anticipated that Eastgate quarters will be completed by 2016.

The Markets service turns over between £3.5m and £4m pa, returning a surplus to the Council of around £2m. This surplus was at its peak in 2006 when it was £2.3m.

However the above assets come with significant associated liabilities, particularly in terms of the maintenance of fabric of the Grade 1 listed buildings. Two 'temporary' hangar structures which form the rear of the indoor market, erected after a devastating fire in 1975, are well past their expected 15-20 year lifespan and are probably beyond economical repair. A recent condition survey put outstanding works at an estimated £2.4m.

To address the issues Kirkgate Market faces and realise its Vision requires:

- a shorter chain of command to ensure faster decision-making and implementation;
- significantly increased investment in the buildings and stalls, whilst keeping and enhancing the distinct character of the market;
- significantly increased marketing and promotion so all Leeds residents and visitors to Leeds know where it is and what its offer is;
- an improved overall offer on the market in terms of the range and quality of goods and services sold;
- an improved overall customer experience by ensuring the market is the optimum size, improving the 'legibility' of the market through signage, wayfinding and improved layout;
- better opening hours; improving customer service and customer satisfaction;
- better promotion of available units, flexible terms and better business support.

### **Current Status of the Project.**

Leeds City Council's Executive Board on 27 July 2011 endorsed the strategy for Kirkgate Market (attached) and specifically proposals to:

- move the management and ownership of Kirkgate Market to an arms length arrangement and establish a Project Board and engage expert opinion to consider and recommend the form this should take. In this context an arms-length arrangement might be some form of joint venture or partnership with a private sector partner;
- determine the optimum size for the indoor and open markets, after taking expert advice, and determine the necessary steps to reach that size.

## **Stages of the Kirkgate Market Project Process**

It is envisaged that the project will be delivered in the following stages:

**Stage 1** the identification of the optimum size of the indoor and daily markets and the consideration of ownership and management models for Kirkgate Market including, if appropriate, soft market testing for the selection of a private sector partner/investor.

**Stage 2** is the development of a Project plan which sets out, and sequences, the actions required to reach the best ownership/management model for the Market and the optimum size for the market as identified in Stage 1.

**Stage 3** is the implementation of the Project plan.

## **The Brief for this Project – Deliverables**

This short term commission requires five deliverables:

### **Deliverable 1**

An assessment of and written advice on the optimum size for the Kirkgate indoor and daily markets and the necessary steps to achieve that optimum size, taking account of the current trading patterns, planned developments and local, regional and national trends in the markets and retail sectors.

### **Deliverable 2**

Advice, following soft market testing (to be undertaken by the Consultant), on the likely interest from the private sector in investing in the market or forming a partnership with Leeds City Council.

### **Deliverable 3**

Taking account of historic and forecast trading at the market and the physical condition of the market halls, and in light of the objectives and vision of the City Council for the market, to provide written advice on the possible ownership and management models for Kirkgate Market including the governance arrangements. This advice will be based on the consultant's knowledge and experience of, including summaries/case studies on, existing models and their success, and will:

- consider the merits of including an investment partner in the new governance model either from its inception or as an option to introduce at some point in the future;
- set out the key drivers which will determine an appropriate model and advantages and disadvantages of all potential options;
- set out the steps required to establish the new company/arrangement and the tendering process to select an investment partner if appropriate;
- include advice on the 'right balance' between investment and return, for the Council and any investment partner(s);

- consider the powers of the Council, and the need to ensure the Council's charter market rights are unaffected;
- consider the VAT and tax implications of each option.

The recommended model will be a sustainable business model that maximises potential investment into, and returns from, the market.

#### **Deliverable 4**

Advice at a strategic level on how, as part of a wider evaluation methodology to be developed as part of Stage 3, the following elements of submissions from the private sector or other organisations who wish to invest in the markets and/or enter into a partnership with the council to jointly own and manage the market can be evaluated:

- § business plans and retail proposals for the market's operation;
- § financial and investment proposals;
- § deliverability;

the advice should ensure all applications can be evaluated in an equitable way (e.g. consideration may be given to the fact evaluations may have to consider demolitions, new builds, refurbishment of existing buildings, and temporary buildings).

#### **Deliverable 5**

The production of a Programme/Stage plan which:

- sets out and sequences the change of ownership/management structure and the steps required to reach the optimum size for Kirkgate Market, into one overall programme of change;
- Identifies the key milestones of the project plan and the interdependencies between each workstream;
- Highlights the main risks associated with the project plan's implementation and proposes mitigation measures;
- Identifies the cost estimates of implementing the project plan including the estimated cost of physical changes, loss of income during the phased implementation and changes to the management of the market;
- Subject to the outcome of soft market testing, to include the proposed actions and timescales for progressing with a formal exercise to secure an investment partner for Kirkgate Market.

#### **Optional Deliverable 6**

Lastly, as an option, bidders may make proposals for any additional items that the bidder considers have been omitted in this brief to enable the commission to be successfully completed.

Following the outcome of this commission, Leeds City Council may wish to commission further work in relation to the delivery of the Project plan. There is no commitment from the Council to commit to this work, but a broad brief is included for information.



## Reporting/ meetings

- § All written advice and reports will be required in draft format for approval prior to completion of agreed final documentation.
- § You will be expected to attend meetings at critical milestones as work progresses including a final presentation to senior officers and potentially elected members. You will report to the Project Team and, in particular, the Project Manager.
- § You will be expected to provide the Council with 3 hard copies and 1 electronic copy of all documentation prepared. Upon completion, copies of all deliverables will be provided to the Council.

Consultants are expected to:-

- demonstrate first-hand experience of facilitating an investment/development partnership in a retail environment and preferably a retail market;
- advise knowledgeably on various company models/investment vehicles available to public sector and public/private partnerships;
- have experience and understanding of the markets industry; business planning and financial appraisals.
- have experience of tendering processes;
- have knowledge of how other markets, public sector operations and public/private sector partnerships have secured investment and established new management arrangements, and what issues they faced;
- have knowledge of routes to potential investment partners and what would constitute an attractive offer to them;
- be able to demonstrate experience of, and expertise in, undertaking complex master planning for a large scale physical development;
- demonstrate experience of successful change management in a large and complex retail markets environment;
- have a clear understanding of Market Charter rights.
- be available to attend meetings in Leeds regularly for the duration of the commission.

## Programme

The Council's provisional programme is as follows: -

<b>Milestone</b>	<b>Date</b>
Deadline for submissions	Noon Wed 19 <sup>th</sup> October 2011
Consultant appointed	Monday 31 <sup>st</sup> October 2011
Organisation commences commission. Initial meetings on the Council's approach	Wednesday 2nd November 2011
All draft documentation	Wednesday 23 <sup>rd</sup> November 2011
All final documentation	Monday 28 <sup>th</sup> November 2011

## **Not to be evaluated: Potential Future Work**

Further consultant input may be required as the project progresses above and beyond what is required at this stage. There is no commitment from the Council at this time to the appointment of organisations to undertake the further work at this time; details are provided below only to inform the development of the existing commission. Details of such commissions would be provided at a future stage. The activities include:

- **Specialist markets/retail advice as the Project progresses**
- **Support to the evaluation of Investment Partner(s) submissions**
- **Project Management of specific aspects of delivery**

### **Background Information**

1. Executive Board report 'Towards a Markets Strategy' 15 December 2010.
2. Executive Board Report 27<sup>th</sup> December 2011
3. Strategy for Kirkgate Market
4. Towards a Strategy for Kirkgate Markets: The Evidence Base which set out background information on Kirkgate Market, the importance of the market to the city centre and wider city, the national retail context, the current economic environment, how other markets have responded, the issues facing Kirkgate Market and options on how the Council could respond.
5. Leeds Markets Survey March 2011
6. Executive Board report 27 July 2011

In order to obtain any of the background information listed please contact Cath Follin direct.

## QUOTATION FOR LEEDS KIRKGATE MARKETS PROJECT

### PRICE SCHEDULE

You will be expected to provide a total capped price for the commission as outlined in the brief, breaking down the cost elements over the various activities. You are therefore asked to complete the following template.

ITEM	DESCRIPTION SERVICE	OF	Personnel (name, level, and organisation)	Days	Rates	Price
1.	Deliverable 1				£	£
2.	Deliverable 2				£	£
3.	Deliverable 3				£	£
4.	Deliverable 4				£	£
5.	Deliverable 5				£	£
6.	Deliverable 6 (optional)					
					<b>Capped Price (EXC VAT)</b>	

The above costs must include all travelling, subsistence and expenses applicable to this contract.

I/We hereby offer to provide the services as specified in the Price Schedule in accordance with the Council's Conditions of Contract contained in this enquiry.

I/We confirm that the Company name specified below and on all supporting documentation matches the Company name as registered on my SCMS profile

**SIGNED** (Bidder's Signature)

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**NAME** (Print Bidder's Name)

---

**DESIGNATION**

---

**FOR AND ON BEHALF OF  
Company name)**

---

**DATE**

---

**ADDRESS** (including Post  
Code)

---

VAT Number

---

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**PAYMENT DETAILS**

The details supplied below will be used to make payments and remittance advices should the contract be awarded to the Tenderer

Sort code							Account Number									
Building Society Roll Number																
Email address																

## QUOTATION QUALITY EVALUATION CRITERIA

### Introduction

This document describes the method the Council will use to evaluate each quotation submitted, which must contain sufficient information to demonstrate how the Bidder will meet the requirements of the Project Brief. It is important to ensure that any information submitted is relevant to the Quality Criteria detailed below. Information which is not relevant will not be taken into account.

### Within submissions you will be expected to provide:

- § Details of the individual(s) for each deliverable, with profiles/CVs provided for each individual and organisation showing relevant experience and knowledge to support the requirements of this brief. This will include details of any sub-consultants and should include details on knowledge and experience of the retail markets industry, of business planning and of evaluating commercial and financial proposals on complex markets schemes.
- § A resource plan to support the above, including the structure of the project team, if applicable, and reporting structures within the team.
- § Method statement for deliverable 1 (optimum market size and market interest)
- § Method statement for deliverable 2 (soft market testing and market interest)
- § Method statement for deliverable 3 (Investment and ownership models)
- § Method statement for deliverables 4 and 5 (programme and evaluation methodology)
- § Evidence showing an understanding/ability to meet the Council's requirements, including i) the Leeds retail offer and aspiration, ii) the city's strategic objectives, iii) working within the Council's decision-making/political structures, and iv) market charter rights.
- § Details of QA processes/accreditation
- § The programme for completing the deliverables.
- § Details and contact details of two relevant references.
- § Details of any known past, present or potential future conflicts of interest.

## Quotation Quality Evaluation Method + Quality Criteria

Following receipt of submissions from bidders, bids will be evaluated on the basis of price and quality as set out below. The maximum amount of marks available for price will be **40%/ 400 points**. The maximum amount of marks available for quality will be **60% / 600 points**. Listed below is the quality evaluation criteria which bidders must submit a response to in order to be considered for this scheme:

All quotation submissions received in relation to this scheme must achieve the **minimum quality threshold of 70%** of the total possible overall quality score available of 600 points **which equates to 420 points** and quotes below this threshold will not be considered further.

	<b>Selection Criteria</b>	Weighting of criteria (points)
	<b>Experience and Knowledge</b>	
1	Individuals (including sub-consultants) who will be working on the project.	<b>100</b>
2	Your experience of/ability to deliver similar schemes.	<b>80</b>
3	Your knowledge and understanding of the markets and retail industries, including the current Leeds retail offer. Your knowledge and understanding of the approach the Council is taking in securing the future of Kirkgate Market. Your knowledge and Understanding of Market Charter rights. Your experience of working with Council officers within a politicised environment and of working with elected members.	<b>80</b>
4	Details of any quality assurance procedures and accreditations held.	<b>10</b>
	<b>Process and Programme</b>	
5	Process/proposals for Deliverable 1	<b>100</b>
6	Process/proposals for Deliverables 2 and 3	<b>100</b>
7	Process/proposals for Deliverables 4 and 5.	<b>70</b>
8	A programme of work and milestones for this brief clearly indicating when works will be completed by the 28 <sup>th</sup> of November.	<b>40</b>
9	How the team proposed will function, including reporting and management arrangements.	<b>20</b>
	<b>Total Quality Evaluation points available</b>	<b>600</b>

## Price Criteria

Price will only be evaluated for those quotations that meet the required minimum quality threshold as stated in the quality evaluation method section. The tenderer with the lowest credible total price will achieve the highest score for price, with other scores calculated pro rata.