INVITATION TO SUBMIT A PROPOSAL FOR THE LEASING, REFURBISHMENT AND OPERATION OF FILM AND TV STUDIO FACILITY FROM SCREEN SCOTLAND

DECEMBER 2018

All correspondence relating to this invitation should take place through studiobrief@creativescotland.com

Final tender submissions must be sent to studiotender@creativescotland.com

References in this Invitation to Submit a Proposal (the “Invitation”) to “Screen Scotland”, “we”, “us” and “our” shall be deemed to be references to Creative Scotland, a public body established by the Public Services Reform (Scotland) Act 2010 and having its place of business at Waverley Gate, 2-4 Waterloo Place, Edinburgh, EH1 3EG.
Screen Scotland is the new dedicated partnership for screen in Scotland, delivering enhanced support for all aspects of Scotland’s screen sector.

Screen Scotland sits within Creative Scotland and is a partnership with Scottish Enterprise, Highlands and Islands Enterprise, Skills Development Scotland, Scottish Funding Council, with funding from the Scottish Government and the National Lottery.

Screen Scotland is firmly committed to supporting the growth of the screen sector to be a global screen leader. We have placed a top priority on increasing studio capacity for screen production in Scotland to help deliver this. The need for additional studio facilities was identified in the Screen Unit Collaborative Proposal as one of the key drivers to increasing screen production in Scotland.

The development of studio facilities has the joint objective of supporting the growth of the indigenous screen production industry and increasing inward investment from international productions.

Scotland offers a strong proposition for growth in the screen sector due to:

- an ambitious and talented independent screen sector
- an excellent and growing skills base
- co-operative public organisations at both national and local levels which help facilitate access to support, investment and key locations
- an existing supply chain built up around three national TV broadcasters (BBC, STV and Channel 4) and
- a track record of working with major international screen production organisations, including major streaming service providers.
1.1 Project Description

Following strategic, economic, commercial, operational and financial evaluation, a building has been identified which, following refurbishment, will provide long-term studio facilities.

The selected building is located at 31 Bath Road, Leith, Edinburgh which is commonly referred to as the Pelamis building. This building is an industrial building which has not been converted for use as a studio but is promoted as a potential screen production location in its current form in both Screen Scotland’s and The British Film Commission’s websites. As mentioned in the Collaborative Proposal (page 6), the building was used for Marvel’s Avengers: Infinity War in 2017.

This tender invitation is for organisations to:

1. Lease the 31 Bath Road premises from a subsidiary of Creative Scotland (Screen Scotland)

2. Fund and carry out a refurbishment of the building to provide commercially viable studio facilities. This may be partially funded by state aid compliant funding from Screen Scotland

3. Operate the building as a studio facility, receiving rental income from screen production companies.

Given the commercial sensitivity regarding this tender, additional information will be made available on request provided that - 1) prospective tenderers demonstrate they have a suitable legal entity (limited company or limited liability partnership) through which to make the tender and; 2) prospective tenderers sign a Non-Disclosure Agreement (NDA). The provision of legal entity details and the request for the NDA document should be made to studiobrief@creativescotland.com.

The configuration and any phasing of the refurbishment will be for the studio operator to agree with Screen Scotland, based on financial viability and the market opportunity. It is usual that a studio facility would comprise:

- Sound stages
- Workshop space
- Flexible space to use for wardrobe, make-up, editing, catering etc
- Office space
- External backlot area.
1.2 Public Sector Support

The aim of Screen Scotland is to create a studio facility that is leased to, refurbished by and operated by the private sector to the fullest extent possible. It is recognised, however, that due to the specialised nature of the property, there may be a requirement for public sector support. Subject to satisfying EU rules on state aid, Screen Scotland will consider proposals from tenderers which involve the provision of public sector funding to the successful tenderer. In order to determine which submission (if any) Screen Scotland will pursue, all submissions will be evaluated on the basis of the criteria set out in Section 3 below.

The detailed cash flow model provided by the tenderer (as set out in Section 3.1 below) will require to specify clearly the amount and type of any public sector funding required and the basis upon which this has been arrived at.

Screen Scotland is flexible as to the form in which any public sector funding may be provided to the successful tenderer, provided that it complies with European Union rules on state aid as currently set out in Articles 107 and 108 of the Treaty on the Functioning of the European Union.

The types of funding that may be available include (but are not necessarily limited to) grants, loans and (potentially) equity investments. Any public sector funding which may be provided to the successful tenderer will be on terms to be agreed between Screen Scotland and the successful tenderer, which terms shall be in a form and substance satisfactory to Screen Scotland.

Please note that Screen Scotland will not provide any form of long-term income guarantee or underwriting.
1.3 State Aid Compliance

Although the UK is planning to leave the European Union, the UK Government has stated that, in any eventuality, the current EU state aid rules will be transposed into UK domestic legislation.

State aid rules are complex, and tenderers are encouraged to seek specialist advice on this aspect of their submission. Any requests for public funding that do not, in the opinion of Screen Scotland, comply with relevant applicable state aid legislation will be disregarded.

Tenderers should note that the date on which any public sector funding is envisaged to be provided pursuant to this invitation will be after March 2019.

1.4 Public Sector Support for Screen Production

In considering the levels of demand for studio facilities, tenderers may wish to consider schemes available for the support of screen production. It should be noted that these schemes do not usually relate directly to operating a studio facility as these incentives are focussed on the production activity that takes place within a studio and on location.

Tenderers may wish to have regard to the availability of tax incentives for film producers under the Film Tax Relief, High-end Television Tax Relief and Children’s Television Tax Relief schemes and the potential value or attractiveness that this may add to the development of a film studio in Scotland. More information is available on these schemes here.

In addition, there is also production funding available from the British Film Institute and Screen Scotland via its current schemes.

All schemes mentioned above are those currently in operation at the time of writing and may be subject to change.
SECTION 2 - TENDER SUBMISSION INSTRUCTIONS

2.1 Completion of Response
The tenderer’s response should be submitted in accordance with these Submission Instructions and should include a response both to the tender brief (Section 1) and the tender content requirements (Section 3).

2.2 Confidentiality
Submissions, requests for additional information, notifications of interest and queries will be treated as Official – Commercial under the Government’s Security Classifications. This means that, subject to applicable legislation, all information will be treated confidentially given that disclosure would prejudice substantially the commercial interests of the prospective tenderers.

2.3 Notification of Interest
You can register an interest in this tender by emailing studiobrief@creativescotland.com. You will then be notified of any relevant queries that have been raised by others and will receive any notifications of changes in submission deadlines or other details. All notifications of interest must be received by 12 noon on 22 Jan 2019.
2.4 Submission of Response

Tenderers must submit their completed response to studiotender@creativescotland.com no later than:

12 noon on 1 February 2018.

Please note this is a different email address from that for queries, requesting additional information and registering an interest.

Screen Scotland will not accept any submissions after the deadline has passed. It is the responsibility of tenderers to ensure submissions are received before the deadline.

Only submissions sent to studiotender@creativescotland.com will be accepted. Submissions must not be sent to any other email addresses.

All submissions must be provided in pdf document format.

An email confirmation will be sent to confirm successful receipt of submissions. Submission emails will not be opened until after the submission deadline.

Screen Scotland shall not be committed to any course of action as a result of:

• issuing this Invitation;
• communicating with any tenderer or their authorised representatives, employees or agents in respect of this tender; or
• any other communication between Screen Scotland (whether directly or through its agents or representatives) and any other party.

Screen Scotland may, in its absolute discretion:

• amend this Invitation;
• cancel or withdraw from this tender process at any time;
• decide not to award any contract(s) pursuant to this tender process;
• decide not to enter into any contract(s) pursuant to this tender process;
• require a tenderer to clarify their tender submission in writing and / or provide additional information (and failure to respond adequately to a request for clarification may result in a tenderer not being successful);
• return to and recommence an earlier stage in this tender process; or
• amend the terms and conditions of this tender process.

All or any part of a tender submission provided by a tenderer in response to this Invitation may form part of any contract with Screen Scotland, should that tenderer’s submission be successful.
2.5 Treatment of Responses

An evaluation team made up of representatives of Screen Scotland and professional advisors will consider all eligible submissions and may invite tenderers for presentations/interviews or seek further clarification of proposals contained in their response. Screen Scotland may undertake a financial capacity and background check on the tenderer and reserve the right not to take your submission further should you not meet our requirements regarding the transparency of sources of funding.

The evaluation process will involve 2 stages:

Firstly, the team will evaluate each eligible submission to identify any proposal(s) which we (at our sole discretion) wish to pursue further on the basis of the delivery of the Brief objectives and evaluation criteria set out in Section 3.

When we have made a decision on the outcome of the first stage evaluation of submissions, we will inform you in writing as to whether or not your submission has been selected for the second stage.

The second stage will involve further detailed consideration of the brief objectives. This may involve inviting tenderers for presentations/ interviews or seek more detailed clarification of proposals contained in their response.

Following this second stage consideration, a preferred partner will be selected and unsuccessful organisations will be informed of the decision.

Any presentations or interviews which tenderers are required to attend will not be scored on a separate basis. Any such presentation or interview will be used by Screen Scotland to moderate the scores awarded to eligible submissions as part of the evaluation process. As such, scores achieved by a tenderer during evaluation of its submission may be revised (up or down) and the awarded score revised following that tenderer’s presentation or interview (if any).

We reserve the right not to support part or all of any proposal or to accept any part, or all of any proposal or proposals at our discretion.

If you are unsuccessful in this process you can request feedback which will be provided by Screen Scotland’s professional advisors.

2.6 Queries

Any queries in relation to this document should be sent to studiobrief@creativescotland.com no later than 12 noon on 22 January 2019. If responses are relevant to other tenderers or those who have noted an interest, they will be communicated confidentially to all parties who have noted an interest without disclosing the identity of the party who raised the query.
2.8 Conflicts of Interest

You should advise studiobrief@creativescotland.com as soon as possible if you think you may have a conflict of interest in respect of this invitation. If there is, in the sole opinion of Screen Scotland, an actual or potential conflict of interest, we reserve the right to disqualify you from further involvement in the process.

2.9 Liability and Incurred Expenses

Screen Scotland accepts no liability for any loss, liability, cost or expense (including legal expenses) incurred by any tenderer in preparing for or participating in this tender exercise, howsoever arising (whether under contract, delict or under any statutory provision or otherwise) including under any implied contract between Screen Scotland and any tenderer arising by reason of this tender exercise. Screen Scotland will not pay any costs and expenses which may be incurred by you in connection with the preparation, submission, presentation or clarification of your response.

The submission of a tender response by a tenderer in relation to this tender exercise shall be deemed acceptance of the exclusion of liability set out in this Section 2.9.

2.10 Accuracy of Responses

Tenderers must obtain for themselves at their own responsibility and expense all the information necessary for the preparation of their tender. Information supplied by Screen Scotland or its staff, agents or advisers or contained in any Screen Scotland publication is supplied only for general guidance in the preparation of tender responses. Tenderers must satisfy themselves by their own investigations as to the accuracy of such information and no responsibility is accepted by Screen Scotland for any loss or damage of whatever kind or howsoever caused arising from the use by a tenderer of such information.

You should check the accuracy of your response prior to submission. A response containing errors or omissions may, at Screen Scotland’s discretion, be referred back to you for correction or may be disqualified.
2.11 Language of Response

Your response and all accompanying documents should be submitted in English.

2.12 Financial Capacity and Background Check

Screen Scotland may undertake a financial capacity and background check on the tenderer and reserve the right not to take your submission further should you not meet our requirements regarding the transparency of sources of funding.

2.13 Disclaimer

We and/or our agents or advisers accept no liability for the accuracy, adequacy or completeness of any of the information provided or any opinions contained in this Invitation, or of any other information made available during the process.

If you submit a tender response, you will be deemed to have understood fully the requirements of this Invitation.

The submission of a tender response will imply acceptance of this provision by you. Any attempt to qualify this provision, either expressly or implied, may result in your response being disqualified.

2.14 Canvassing

Tenderers shall not:

- offer any inducement, fee or reward to any officer, employee, advisor or agent of Screen Scotland in connection with this tender exercise;
- do anything which would constitute a breach of the Bribery Act 2010; or
- canvass any officer, employee, advisor agent of Screen Scotland in connection with this tender exercise.

Any communication regarding this tender exercise must be made through studiobrief@creativescotland.com unless otherwise stated. Any communications made other than via this route will be regarded as prima facie evidence of canvassing.
SECTION 3 – TENDER CONTENT AND EVALUATION

All submissions will be appraised for quality and price. The final Quality score and the final Price score will then be added together to obtain an overall score.

3.1 Price

The eligible submission which requires the lowest amount of public sector support will be awarded 100 points with all other submissions awarded points relative to the eligible submission which requires the lowest amount of public sector support. The price ratio of 30% will then be applied to the points allocated.

A standard 15-year Discounted Cash Flow model must be provided as part of the additional information referred to in Section 1.2. This model can be modified by the tenderer, however, must demonstrate the viability of the proposal over a 15-year period and minimise the proposed level and nature of public sector funding.

3.2 Quality

The mark given will subsequently be multiplied by the weighting below to obtain an overall score.

<table>
<thead>
<tr>
<th>Quality Criteria</th>
<th>Weighting %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Previous Experience</td>
<td>30%</td>
</tr>
<tr>
<td>Funding Plan</td>
<td>20%</td>
</tr>
<tr>
<td>Refurbishment Proposal</td>
<td>20%</td>
</tr>
<tr>
<td>Operating Model</td>
<td>15%</td>
</tr>
<tr>
<td>Marketing Plan</td>
<td>15%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
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</tbody>
</table>

The tenderer with the highest quality score will be awarded 100 points with all other tenderers being awarded points relative to the highest quality score.

The quality ratio of 70% will then be applied to the points allocated.
3.3 Evaluation of Quality Criteria

Each submission will be scored against each criterion according to the following scale:

0 – no response or inadequate response. Fails to demonstrate an ability to meet the Brief Objectives;

1-2 – Partially relevant but generally poor response. Demonstrates some understanding of the requirement but contains insufficient/limited detail or explanation to demonstrate how the Brief Objectives will be met;

3-4 – Relevant and acceptable response. Demonstrates a broad understanding of the requirement but lacks detail or explanation to demonstrate how the Brief Objectives will be met in certain areas;

5-6 – Relevant and good response. Sufficiently detailed to demonstrate a good understanding of the requirement and provides an explanation of how the Brief Objectives will be met;

7-8 – Very good and detailed response demonstrating very good quality understanding of the requirement and provides a very good explanation of how the brief objectives will be met.

9-10 – Completely relevant, detailed and excellent response. Comprehensive and clear and demonstrates a thorough understanding of the requirement and provides an excellent explanation of how the Brief Objectives will be met in full.

3.4 Quality Criteria and Required Tender Information

Tenderers are invited to come forward with written submissions that include (as a minimum) the following key information based on the quality criteria identified in 3.2 above:

3.4.1 Previous Experience

• Evidence of previous commercial development or studio facility development experience. This should include personal profiles of relevant individuals.

• Evidence of studio operator experience. This should include personal profiles of relevant individuals.

• Tenderer’s legal status including the last 3 years of audited annual financial statements, if available. Where the submission involves a consortium of interests, details and 3 years of annual audited statements will be required for all members of the consortium.
3.4.2 Funding Plan

- Confirmation and status of all proposed funding sources and any conditions attached (including where these funds will be provided by third parties). Please note that submissions with incomplete, speculative or highly conditional funding arrangements will be discounted.

- Confirmation that funding would be available immediately to enable refurbishment of the building as swiftly as possible.

- Where public sector assistance forms part of the funding plan, confirmation must be provided that it is deliverable under state aid rules.

3.4.3 Refurbishment Proposal

- A refurbishment proposal including the proposed layout with a commercial rationale that supports the operational model and marketing plan.

- Evidence of the understanding of the technical aspects of studio facility design.

- Details on how the final refurbishment specification will be agreed with Screen Scotland, procured (recognising that public funding may be involved) and managed with associated timescales and cost estimates. Timescales should demonstrate that refurbishment can be completed or substantially completed by the end of 2019, to enable the studio to become operational.
3.4.4 Operating Model

- Details of the proposed period of the lease including any breaks and other conditions.
- Details of how the studio facility will be managed including estimated sub-rental rates, building utilisation and staffing structure.
- The proposed pricing model and how that relates to the current market for the studio space.
- Details of how experienced staff will be recruited to manage the day to day operation of the studio.
- Any other ancillary plans for the building - for example, skills and training development, community engagement.

3.4.5 Marketing Plan

- How the building will be marketed domestically and internationally to screen production companies.
- The experience of staff who will be marketing the building.
- Proposed marketing budgets showing the main areas of spend.
- Any other sub-letting strategies to maximise the utilisation of the building.
SECTION 4 - PROJECT TIMESCALES

Given the need for additional studio facilities and the high current levels of demand, Screen Scotland seek to progress the selection of a preferred partner as quickly as possible. Following this identification Screen Scotland would seek to finalise the sub-lease and refurbishment proposal quickly to enable the studio facilities to be in place as soon as possible. As mentioned in the quality criteria relating to the refurbishment process (section 3.4.3) there is requirement that the refurbishment is complete or substantially complete by the end of 2019.

Timelines for the initial stages of the project are:

<table>
<thead>
<tr>
<th>Milestone</th>
<th>Complete by</th>
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<tbody>
<tr>
<td>1. Publication of Tender</td>
<td>7 Dec 2018</td>
</tr>
<tr>
<td>2. Final deadline for noting interest and submission of queries</td>
<td>12 noon 22 Jan 2019</td>
</tr>
<tr>
<td>3. Deadline for tender submissions</td>
<td>12 noon 1 Feb 2019</td>
</tr>
<tr>
<td>4. First stage tender evaluation and identification of tenderers to be</td>
<td>1 March 2019</td>
</tr>
<tr>
<td>progressed for second stage evaluation</td>
<td></td>
</tr>
<tr>
<td>5. Identification of preferred operator</td>
<td>Spring 2019</td>
</tr>
<tr>
<td>6. Announcement of successful operator</td>
<td>Spring 2019</td>
</tr>
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SECTION 5 - PRIVACY

Introduction

In your submission to Screen Scotland you are supplying Creative Scotland (CS) with personal information about yourself and/or organisation. CS requires this personal information to fully assess your tender and make decisions on a preferred partner to lease, refurbish and operate a screen studio facility. The following sections contain details of how CS will use this personal information. To help clarify some of the wording, a ‘Definitions’ Section is located at the bottom of this Privacy Notice.

CS’ status

CS shall be the controller of the personal information and shall comply with the Data Protection Laws when processing the personal information.

CS’ purpose(s) for processing

the personal information

• to assess and evaluate the tenderer’s submission (including supporting information) to become a preferred partner to lease, refurbish and operate a screen studio facility;
• to publish information regarding the successful tenderer on Screen Scotland’s website and more widely e.g. social media; and
• to respond to requests for information received by CS from the media otherwise than under Access to Information Laws (exemptions may apply).
Data Sharing – CS will disclose:

• the tenderer’s submission (including supporting information) to Screen Scotland, Scottish Enterprise, Highlands and Islands Enterprise, Skills Development Scotland, Scottish Funding Council and external third party professional advisors for assessment, evaluation and decision making purposes under contract including non-disclosure arrangements with CS;

• Personal information in response to requests received by CS under Access to Information Laws, either subject to or without prior consultation with the tenderer at CS’s sole discretion.

We may share your personal information with our insurers, professional advisers, agents, suppliers or subcontractors if we need to for any of the above purposes.

We may also share your personal information:

• Where the law requires us to;
• For any court proceedings in which we are involved;
• To protect our legal rights; and
• For the purposes of fraud prevention.

Length of time CS will retain the personal information

CS will retain successful tender submissions and supporting information (including assessments and personal information) in line with CS’ retention arrangements. For further information, please contact CS’ Information and Records Management Officer 0330 333 2000.

CS will retain unsuccessful, withdrawn or ineligible tender submission(s) and supporting information (including assessments and personal information) for a period of 1 year. Following the expiry of this timescale, the said information will be securely disposed of.

CS’ legal basis for processing the personal information

• carry out tasks in the public interest or in the exercise of its official authority as a Controller (public function)

• for the performance of a contract

• processing is necessary for compliance with a legal obligation - to comply with a common law or statutory obligation.
Transfer of personal information

outside the European Economic Area

CS shall ensure that if the processing of the personal information, as mentioned above, involves the transfer of the personal information to organisations established in countries outside the European Economic Area, then such transfer(s) shall comply with the Data Protection Laws.

Information about other data subjects

If your submission and / or supporting information contains personal information about other data subjects, you must comply with the Data Protection Laws when providing their personal information to CS.

What will happen if you do not provide the information CS requires

CS will be unable to enter into a contract with you as a preferred partner.

Data Subject Rights

When personal information about a data subject is processed, the data subject has the right to:

• Receive transparent information e.g. this Privacy Notice
• Access personal information – a data subject has the right to request access to personal information held about them and can do this by contacting CS’ Data Protection Officer (contact details are provided below)
• Erase personal information – a data subject can request that their personal information be erased
• Rectify inaccurate or incomplete personal information – a data subject can request their information to be updated
• Restrict personal information while, for example, a request for rectification of inaccurate or incomplete personal information is being reviewed by CS
• Object to processing of personal information in defined circumstances.
Changes to this Privacy Notice

Any changes CS may make to this Privacy Notice in the future will be notified to you by e-mail.

Making a complaint

If you have any concerns with how CS has processed your personal information, you should contact CS’ Data Protection Officer in the first instance, as CS would welcome the opportunity to work with you to resolve any complaint.

The contact details for CS’ Data Protection Officer are as follows:

Data Protection Officer
Creative Scotland
2-4 Waterloo Place
Edinburgh
EH1 3EG

Telephone: 0330 333 2000
Email: dataprotection@creativescotland.com

If you are still dissatisfied, you can submit a complaint to the Information Commissioners Office (ICO) either by telephone or by completing an online form. The ICO’s contact details are as follows:

Telephone: 0303 123 1113
Website link: https://ico.org.uk/concerns/

Website Privacy Notice

Further details on the information that CS collects when you visit the Screen Scotland website is available in Screen Scotland’s Website Privacy Notice.
Definitions:

**CS, Screen Scotland**
Creative Scotland and / or any subsidiary companies owned by Creative Scotland.

**Controller**
determines the purposes and means of processing personal information.

**Data Subject**
means the living individual who the personal information is about.

**Tenderer**
organisation that has tendered a submission to become a preferred partner with CS to lease, refurbish and operate a screen studio facility.

**Personal Information**
means information obtained by CS from and regarding the organisation as part of the tender submission and assessment process.

**Processing**
means any act that is performed in relation to the personal information including collecting, recording, organising, structuring, storing, adapting, altering, retrieving, consulting, using, disclosing, aligning, combining, restricting, erasing or destroying.

**Access to Information Laws**
includes the Freedom of Information (Scotland) Act 2002 and the Environmental Information (Scotland) Regulations 2004 and any legislation supplementary thereto introduced in Scotland.

**Data Protection Laws**

**European Economic Area**
means the Member States of the European Union, Iceland, Norway and Lichtenstein.