**Strategic Research and Economic Analysis Professional Services Framework**

**Further Competition Invitation to Tender (Stage 3 Over OJEU / Stage 1 Under OJEU)**

**Research into the differential impacts of a housing market downturn**

**Issue Date: 12/09/2023**

**ProContract Identification Number: DN689139**

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**Introduction**

The purpose of this Further Competition Invitation to Tender (ITT) is to award the call-off contract for research into the differential impacts of a housing market downturn*.*

We ask you to respond to the questions detailed in Part 2, Section 6 (Evaluation Criteria) using the [Response Form](#_RESPONSE_FORM) and to return the Response Form and Resource and Pricing Schedule in Part 3 with your tender.

This Further Competition ITT is divided into 3 parts:

**Part 1 – Commission Requirement**

* Details the commission requirements.
* Details additional terms and conditions for the Further Competition. The successful Supplier will be subject to both the terms and conditions of this Further Competition and the Framework Contract. Unless otherwise defined in these instructions, terms used shall have the meaning given to them in the Framework Contract.

**Part 2 – Instructions for Submitting a Response**

* Contains important information and instructions on preparing and submitting a tender response. Please read these instructions carefully prior to submitting your tender response.
* Outlines the evaluation criteria which will be used for assessment. It is important that Suppliers familiarise themselves with the criteria and ensure they are considered when compiling their tender response.

**Part 3 – Standard Forms**

* Contains the standard forms required to be completed and returned by the Supplier when submitting a tender response.

**Part 1 - Commission Requirements**

1. **Commission Background**

Current economic indicators and forecasts suggest that England is heading into a housing market downturn, with the latest Oxford Economic forecasts procured by the Agency suggesting a fall in house prices over the next couple of years and a reduction in new housing supply coming forward.

Homes England is tasked with intervening in the housing market to drive regeneration and housing delivery to create high-quality homes and thriving places. Therefore, it is important for us to consider the implications of such a downturn for housing and regeneration, and the Agency’s work.

The Agency’s forecasts of the likely impact of the macroeconomic conditions on the housing market provide an overarching view of the potential effects a downturn. Moreover, DLUHC recently commissioned work into “A rapid review and analysis of English housing market downturns and government responses” to look at the impacts of previous downturns on the housing market overall (this will be made available to the successful bidder). The combination of these outputs provides the Agency with a good view of the likely impact of the current macroeconomic conditions on the market *as a whole*.

However, the impact of any downturn is likely to vary with respect to different segments of the market e.g., in relation to location, tenure, size of housebuilder and type of housing product. Understanding these differential impacts will be crucial to helping the Agency respond to any downturn.

1. **Objectives**

The primary objective of this work is for the Agency to understand the potential impacts of the current downturn on different groups in the housing & commercial real estate market and wider housing and regeneration sector.

In order to answer this objective, the research will need to help us understand the extent to which the downturn will impact on differing groups, beyond broad headlines. For instance, if the research finds that smaller housebuilders are likely to struggle more than volume housebuilders, can we detail which particular housebuilders that are likely to fair worst and why.

In terms of the groups, we are interested in, this could include segmentation by:

* tenure – home ownership, private renting, first time buyers, social housing etc.
* household groups – single people, families, young people, older people self-employed etc.
* location – different regions, city centre/suburban/rural
* firm size – LMVBs/SME, larger firms
* type of construction – residential, commercial, regeneration or urban realm
* sizes/types of housing product – number of bedrooms, apartments, semi-detached etc.
* type of house build - MMC vs. traditional build.
* Impacts on rental investment vs housing building investment.

We expect the work to answer the primary objective by looking at 3 questions.

1. *What can we learn about differential effects across the housing market from previous housing market downturns?*
2. *What is the emerging picture of differential effects within the housing market of the current downturn?*
3. *What further support should Homes England provide in the short term, and long term?*
4. **The Services**

To address these objectives, we expect researchers will need to undertake four strands of work:

1. Quantitative analysis of existing data sources to:
   1. look at what happened in previous downturns to each of the groups identified above where possible. This should try to build on the existing evidence on the macroeconomic conditions and focus on the differential impacts on each group.
   2. consider any emerging impacts in the latest data.
2. A literature review of the impacts from previous downturns on these groups, and any literature on emerging impacts from the current downturn. Where possible it should identify which groups were impacted the most and any policies or other conditions that ameliorated or exacerbated the impact (note, this is not a review of the effectiveness of these policies, but rather a case of understanding the context for why different impacts may have emerged).
3. Consultations with key groups to understand the likely emerging impacts and any foreseen impacts of the current downturn. We suggest this should include as a minimum,
   1. Housebuilders & developers;
   2. Investors in the rental market & landlords;
   3. mortgage lenders;
   4. estate agencies/surveyors;
   5. housing associations;
   6. industry bodies;
   7. academia.
4. This research should point towards where the Agency may need to focus its efforts through the downturn e.g. particular parts of the market/sector that may need more focused or tailored support and provide suggestions of how the Agency could provide further support in the short and longer term, bearing in mind the remit of Homes England as an Agency.

Suppliers are welcome to suggest other groups that may be of interest as part of the consultations and help address the original aims of the study.

1. **Key Deliverables**

Outputs for this commission include:

* A Project Initiation Document post-inception meeting, confirming the agreed workplan, requirements from the Agency, and timescales for the study.
* Research tools, which must be approved by the study Steering Group before their use.
* A short interim findings presentation setting out progress, issues arising in the study process, and early findings.
* Final report that answers each of the research objectives set out above. The main body of report should be no more than 50 pages. The report should be accompanied by a max. 5 page summary document. Annexes may be included for further detail, as deemed by the supplier, but should be concise and limited to essential items only.

1. **Indicative Programme**

Suppliers should note the indicative programme dates when preparing their Programme information in the Response Form.

|  |  |
| --- | --- |
| **Key Delivery Milestones** | **Anticipated Date** |
| Commencement Date | 23/10/2023 |
| Inception meeting | 25/10/2023 |
| Project Initiation Document submitted to Homes England | 10/11/2023 |
| Interim findings presentation submitted to Homes England | 16/01/2024 |
| Draft report submitted to Homes England | 01/02/2024 |
| Final report submitted to Homes England | 21/02/2024 |
| Completion Date | 28/02/2024 |

1. **Management**

XXX (Senior Economic Research specialist, Homes England) will be the day-to-day contact for the supplier.

The supplier will also need to work closely with the delivery team to source data and contact details for consultees.

The supplier will submit a Project Initiation Document, draft report and final report, as per the table above (5. Indicative Programme). In addition, the supplier must provide fortnightly verbal/email progress updates to Lynsey Cartlidge, to ensure that any issues with progress are highlighted, and can be rectified, promptly.

**Meeting Requirements:**

* **Start-up meeting**

The inception meeting for the study will be held in the **week commencing 23/10/2023**. It will be attended by the supplier and the full evaluation Steering Group, comprising the Research and Analysis Team, the delivery team at Homes England, and DLUHC colleagues. The purpose of the meeting will be to discuss and confirm the approach to the study, including key dates and project management arrangements.

* **Review meetings**

Further full meetings of the Steering Group will be held in the weeks following receipt of the interim presentation, draft report and final report, to discuss feedback on the outputs, and agree any potential changes to be made to the approach/reports.

* **Poor Performance Meeting**

These meetings will hopefully not be required. However, if poor performance is repeated following escalation to the Supplier’s Key Personnel to resolve the issue, as required in the Framework Management Schedule of the Framework Contract, the Framework Manager must be notified and Homes England may call for a Poor Performance Meeting. Beforehand, Homes England will present areas of concern so that the Supplier and Homes England can discuss what happened and why, what will be done to prevent it happening again and how matters will improve. The Supplier subject to such a meeting would be expected to outline in writing in a Rectification Plan afterwards what improvements/modifications they will be putting in place. There will be a maximum of two Poor Performance Meetings before termination of the commission.

1. **Key staff**

The role of all staff involved in the study must be included in the Resource and Pricing Schedule. CVs should also be included for all staff alongside other bid documents.

1. **Risks**

As set out in Section 6, bidders are required to set out any risks they identify with their approach, and their methods for mitigating them.

1. **Payment**

Payments will be made on: finalisation of the Project Initiation Document (10%); interim presentation (35%); receipt of draft report (35%); and sign-off of the final report (20%).

1. **Budget**

The maximum budget for this commission is £50,000 (excl. VAT).

1. **Termination**

Should performance during the period of this appointment prove unsatisfactory following the Poor Performance meeting provisions set out in the Management section above, Homes England will exercise its right under the Termination and Suspension of the Contract clause in the Framework Contract to give notice to terminate the arrangement with immediate effect.

If the services are no longer required, for whatever reason, then Homes England reserves the right to terminate the appointment and pay for services completed at that point.

1. **Conflict of Interest**

Homes England will exclude the Supplier if there is a conflict of interest which cannot be effectively remedied. The concept of a conflict of interest includes any situation where relevant staff members have, directly or indirectly, a financial, economic or other personal interest which might be perceived to compromise their impartiality and independence in the context of the procurement procedure.

Where there is any indication that a conflict of interest exists or may arise then it is the responsibility of the Supplier to inform Homes England, detailing the conflict in a separate Appendix.

1. **Confidentiality**

This Further Competition ITT and associated information is confidential and shall not be disclosed to any third party without the prior written consent of Homes England. Copyright in this Further Competition ITT is vested in Homes England and may not be reproduced, copied or stored on any medium without Homes England's prior written consent.

Suppliers shall not undertake, cause or permit to be undertaken at any time any publicity in respect of this Further Competition process in any media without the prior written consent of Homes England.

**Part 2 - Instructions for Submitting a Response**

1. **General**

1.1 The Further Competition deadline is **17:00** on **10/10/2023** and tender responses **must** be submitted on ProContract. Please regularly check ProContract for any amendments to the Further Competition deadline. For all ProContract portal issues please contact [ProContractSuppliers@proactis.com](mailto:ProContractSuppliers@proactis.com).

* 1. Suppliers **must** ensure that suitable provision is made to ensure that the submission is made on time. Any tender responses received after the Further Competition deadline shall not be opened or considered unless Homes England, exercising its absolute discretion, considers it reasonable to do so. Homes England, may, however, at its own absolute discretion extend the Further Competition deadline and shall notify all Suppliers of any change via ProContract.
  2. **Please note all communications during the tender period will be via the ProContract website. All Suppliers that have registered their interest for the Procurement will receive a direct email notification from ProContract on any updates via the Suppliers registered email address. No approach of any kind should be made to any other person within, or associated with, Homes England. It is the Suppliers responsibility to check the ProContract website for any updates to the Procurement process. No claim on the grounds of lack of knowledge of the above mentioned item will be entertained.**
  3. The Supplier should check the Further Competition ITT for obvious errors and missing information. Should any such errors or omissions be discovered the Supplier must send a message via the messaging function on ProContract. No alteration may be made to any of the documents attached thereto without the written authorisation of Homes England. If any alterations are made, or if these instructions are not fully complied with, the tender response may be rejected.
  4. All clarification requests must be sent using ProContract no later than 5 working days before the Further Competition deadline shown on ProContract. Any queries submitted after this may not be answered. Homes England will respond to clarifications as soon as practicable.
  5. Suppliers should specify in their clarification questions if they wish the clarification to be considered as confidential between themselves and Homes England. Homes England will consider any such request and will either respond on a confidential basis or give the Supplier the right to withdraw the clarification question. If the Supplier does not elect to withdraw the question and Homes England considers any clarification question to be of material significance, both the question and the answer will be communicated, in a suitably anonymous form, to all prospective Suppliers who have responded. If Suppliers consider that page limits set out in Section 20 (Evaluation Criteria) are insufficient to provide the information required by the question then a clarification request should be raised. No guarantee can be given that the page limit will be increased.
  6. Tender responses must not be accompanied by statements that could be construed as rendering the tender response equivocal and/or placing it on a different footing from other Suppliers. Only tender responses submitted without qualification strictly in accordance with the Further Competition ITT (or subsequently amended by Homes England) will be accepted for consideration. Homes England’s decision on whether or not a tender response is acceptable will be final.
  7. Tender responses must be written in English.
  8. Under no circumstances shall Homes England incur any liability in respect of this Further Competition or any supporting documentation. Homes England will not reimburse the costs incurred by Suppliers in connection with the preparation and submission of their tender response to this Further Competition.
  9. Homes England reserves the right to cancel this Further Competition process at any time.

# Quality

* 1. A Response Form template has been provided in Part 2 to respond to the Quality questions detailed in Section 20 (Evaluation Criteria). The Response Form must be **completed and returned** as part of the tender response.
  2. Suppliers must provide information on proposed staff in the Response Form and Resource and Pricing Schedule provided in Part 2. If the Supplier is a consortium or intends to sub-contract the Services, in whole or in part, then it should specify precisely in the Resource and Pricing Schedule which economic operator shall perform the Services (or parts thereof).

# Pricing

* 1. A Resource and Pricing schedule has been provided with this Further Competition ITT which must be completed and returned as part of the tender response.
  2. The pricing approach for this Further Competition is lump sum fixed fee.
  3. Suppliers are reminded that day rates for all individuals must be the agreed Framework Contract rates unless discounted rates are offered and will be used for all of the services.

# Evaluation

* 1. Tender responses will be evaluated on the basis of the overall most economically advantageous Tender (MEAT) submitted to Homes England. The evaluation criteria (and relative weightings) that Homes England will use to determine the most economically advantageous Tender are set out in Section 20 (Evaluation Criteria) below and the scoring approach is detailed in Section 25 (Worked Example). Scores will be rounded to two decimal places.
  2. Evaluators will initially work independently. Once they have completed their independent evaluation they will meet to discuss, understand and moderate any differences they have via a consensus meeting, where a single consensus score for each question will be agreed.
  3. Award decisions will be subject to the standstill period if over the EU Services threshold. Unsuccessful Framework Suppliers will be provided with their scores and feedback to explain the award decision

# Documents to be Returned

Suppliers are expected to provide the following information in response to this Further Competition ITT:

* Completed Response Form
* Completed Resource and Pricing Schedule
* Supporting CVs for staff proposed to undertake this commission (no more than 1 page each)

# EVALUATION CRITERIA

|  |  |  |  |
| --- | --- | --- | --- |
| Quality will account for 80**%** of the Overall Score. The following scoring methodology will apply:  **5 – Excellent** Satisfies the requirement and demonstrates exceptional understanding and evidence in their ability/proposed methodology to deliver a solution for the required supplies/services. Response identifies factors that will offer potential added value, with evidence to support the response.  **4 – Good** Satisfies the requirement with minor additional benefits. Above average demonstration by the Supplier of the understanding and evidence in their ability/proposed methodology to deliver a solution for the required supplies/services. Response identifies factors that will offer potential added value, with evidence to support the response.  **3 – Acceptable** Satisfies the requirement. Demonstration by the Supplier of the understanding and evidence in their ability/proposed methodology to deliver a solution for the required supplies/services.  **2 - Minor Reservations** Some minor reservations of the Supplier’s understanding and proposed methodology, with limited evidence to support the response.  **1 – Major Reservations/Non-compliant** Major reservations of the Supplier’s understanding and proposed methodology, with little or no evidence to support the response.  **0 - Unacceptable/Non-compliant** Does not meet the requirement. Does not comply and/or insufficient information provided to demonstrate that the Supplier has the understanding or suitable methodology, with little or no evidence to support the response.  **PLEASE NOTE:**  If your response scores 0 or 1 for any one question your overall submission will be deemed as a fail.  Any text beyond the specified page limits below will be ignored and will not be evaluated.  Homes England will not cross-reference to other answers when assessing quality responses.  Evaluators will initially work independently. Once they have completed their independent evaluation they will meet to discuss, understand and moderate any differences they have via a consensus meeting, where a single consensus score for each question will be agreed. | | | |
| **Number** | **Criteria** | **Demonstrated by** | **Weighting** |
| 1 | **Understanding of Project Requirements**  **PAGE LIMIT:**Maximum 3 A4 pages, 11-point Corbel font, 2,000 words | Set out your understanding of the current macroeconomic conditions and potential downturn for the housing market.  Set out your thinking on the likely differential impacts that could occur in the market as a result of the downturn. If there are additional groups, you think would be impacted and may warrant inclusion in the study, in addition to those listed in this ITT, please include here.  Set out any ways in which these groups are likely to be impacted be the downturn that this study would seek to explore. | 15% |
| 2 | **Technical Merit of Proposal**  **PAGE LIMIT:**Maximum 5 A4 pages, 11-point Corbel font , 3,000 words | Detailed method and approach, explaining how the commission will be undertaken. Please:   * Set out what sources and methods you will use to undertake the quantitative analysis. Suppliers should also set out how they will visualize these results. * How you will complete the literature review including how you will choose which literature is in scope for the study. * Set out your initial thoughts on who you would include in the consultation (in terms of key groups) and the key topics you would look to cover in the consultations. * Provide a workplan, describing and explaining in detail the tasks you will complete.   *Supported by project examples that demonstrate the ability of the supplier to successfully deliver a study of this nature – included* *within the 5-page limit.* | 45% |
| 3 | **Resourcing and management**  **PAGE LIMIT:**Maximum 4 A4 pages, 11-point Corbel font, 2,500 words | Who will undertake the study and why have they been chosen?  Identify key members of staff and allocation (including time) to tasks.  What experience/expertise will these team members bring to fulfilling these tasks?  How will the study, study team and any subcontractors be managed?  How will you ensure that the study remains within budget?  Who will be responsible for reporting to the Client and attend client meetings?  Identify risks to the study schedule, and to the study more generally, including its outcomes. What impact might each of these risks have, and how will these risks be mitigated?  *Please provide a Gantt Chart setting out timeframes for delivery of the tasks, including in relation to milestones and completion date – included within the 4-page limit.*  *Supported by resourcing information provided in Resource and Pricing Schedule – separate to 4-page limit.*  *Supported by CVs for key members of staff – no more than 1 page each, separate to 4-page limit.* | 20% |

|  |  |  |
| --- | --- | --- |
| Price will account for 20% of the Overall Score. The lowest price will gain the maximum marks with other prices expressed as a proportion of the best score using the maths explained in the worked example below. | | |
| **Criteria** | **Demonstrated by** | **Weighting** |
| Price | Completed Resource and Pricing Schedule | 20% |

1. **Worked Example**

**How your quality scoring will be used to give a weighted score**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Bidder | Question | Score out of 5 | Weighting | Weighting Multiplier | Weighted Score | Total Weighted Score |
| Supplier A | 1 | 2 | 15% | 3 | 6 | 54 |
| 2 | 4 | 45% | 9 | 36 |
| 3 | 3 | 20% | 4 | 12 |
| Supplier B | 1 | 5 | 15% | 3 | 15 | 67 |
| 2 | 4 | 45% | 9 | 36 |
| 3 | 4 | 20% | 4 | 16 |
| Supplier C | 1 | 2 | 15% | 3 | 6 | n/a (fail)\* |
| 2 | 1 | 45% | 9 | n/a |
| 3 | 2 | 20% | 4 | 8 |

\* in the example above Supplier C’s pricing will not be scored

**Worked example of how your price will be used to calculate a score**

|  |  |  |  |
| --- | --- | --- | --- |
| Bidder | Form of Tender price | Lowest price/Supplier’s price (as %) | Price Score (out of 20) |
| Supplier A | 350 | 350/350 = 100% | 100%\*20 = 20 |
| Supplier B | 700 | 350/700 = 50% | 50%\*20 = 10 |
| Supplier C | 250 | n/a | n/a |

**Worked example of Overall Score and Ranking**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Bidder | Total Quality Score | Price Score | Total Score | Ranked Position |
| Supplier A | 54 | 20 | 74 | 2 |
| Supplier B | 67 | 10 | 77 | 1 |
| Supplier C | n/a | n/a | n/a | n/a |

# Part 3

# 3.1 RESPONSE FORM

|  |  |
| --- | --- |
| **Framework:** | [insert] |
| **Project Title:** | [insert] |
| **ProContract Identification Number:** | DN [insert] |
| **Supplier:** | [insert] |
| **Date:** | [insert] |

To enable Homes England to evaluate your tender, we require Suppliers to respond to the questions below whilst making reference to the evaluation section above.

Please refer to the evaluation section for page limits for each question. Any text beyond this will be ignored and will not be evaluated.

|  |
| --- |
| **1. Understanding of Project Requirements** |
| **2. Technical Merit of Proposal** |
| **3. Resourcing and management** |

# 3.2 RESOURCE AND PRICING SCHEDULE

Excel spreadsheet to be embedded by Supplier in response

enquiries@homesengland.gov.uk

0300 1234 500

gov.uk/homes-england