



Homes
England

Making homes happen

Property Panel

Procurement & Appointment of a Compliance & Monitoring Inspector

Invitation to participate in a mini tender
In relation to: Land West of David Whitby
Way, Basford, Crewe



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Submission Deadline: 12pm Friday 4th June 2021

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Homes England Land: Basford East, Basford, Crewe



Section 1: Introduction

Homes England seeks to challenge developers with accelerating the pace at which housing is developed on its sites.

Homes England disposes of its landholdings by way of a Residential Building Lease (typically 125 years) which contains provisions obliging the selected developer to deliver at an accelerated rate. This approach to disposal is now being rolled out nationally following a consultation period with Homes England's Developer Partner Panel 3 (DPP3) in 2018.

With regards to Basford, Homes England's North West Disposals Team has now successfully procured and selected Taylor Wimpey as its preferred developer partner.

In order to support Homes England in administering the delivery obligations placed on Taylor Wimpey in delivering this site, it is intended that a single Multidisciplinary Panel firm will be procured to act as the Agency's Compliance Inspector .

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The Agreement for Lease includes conditions precedent that need to be satisfied in order for Taylor Wimpey to draw down the residential building lease. These include:

- Taylor Wimpey obtaining a satisfactory reserved matters planning permission.
- Taylor Wimpey confirming satisfaction that the infrastructure works have been completed
- Completion of the Newt Mitigation Deed of Easement
- Completion of the Deed of Variation
- Agreement of the Deed of Covenant

Section 2: The Site

A summary overview of the Basford site is provided below:

Details		Land at Basford East
Address		David Whitby Way, Basford, Crewe
Site Size		19.25 ha
Description		Greenfield
Current Planning Status		Outline Consent Granted
Unit Numbers		325
Estimated Completion	Contract	No later than 05 January 2022
Estimated Start on Site		February 2022
Fixed Pace of Development from House Build Commencement		64 months and 7 days (house build programme) (a) By month 12 following the Actual House Build Commencement Date 16 completed Dwellings; and (b) By month 72 following the Actual House Build Commencement Date 325 completed Dwellings
Estimated date for Practical Completion		August 2027
Site Specific Comments		Homes England are currently on site undertaking Primary Infrastructure Works, completion of which is a condition precedent in the Agreement for Lease.

The red line boundary for the site can be shown on the Designated Land Plan in Annex A.

Section 3: Developer Duties

The following duties are required of the Developer by Homes England and were indicated during the competitive tendering process:

- Secure Reserved Matters approval for their scheme, the basis of which must be consistent with the scheme tendered to Homes England as part of the Stage 3 marketing process (ITT)
- Discharge all planning conditions associated with the scheme
- Homes England's requirements in respect of:
 - The minimum build out pace
 - The minimum MMC specification score
 - Provision of 30% affordable housing (20% more than required by the Section 106 agreement associated with the outline planning permission)
- Pay all SDLT costs owed in accordance with HMRC requirements.
- Raise the level of finance required to cover the scheme's peak funding requirement – and arrange any credit lines that may be needed to meet cost overruns / cash flow shortfalls.
- In respect of the affordable rent and shared ownership elements of the scheme, the developer must identify and work with an RP partner to take on responsibility for these tenures.
- Upon draw down of the Building Lease, coordinate effective management of the site and discharge all statutory health and safety duties
- Arrange the delivery and management of all construction activities across the site in compliance with the terms of the planning approval
- Secure all appropriate accreditations (NHBC, etc...) for completed dwellings such as to ensure they are insurable / mortgageable
- Manage all marketing and sales of dwellings across the site
- Carry out snagging activities and provide all appropriate maintenance and aftercare services to buyers
- Agree and complete adoption agreements with the local authority in respect of key roads and infrastructure within the development and with the local authority or a nominated management company in respect of the scheme's public open spaces
- Comply with any duties / services required of the developer under the terms of the warranty agreements provided to buyers
- Otherwise comply with any and all obligations set out within the Agreement to Lease and Building Lease

Section 4: Compliance & Monitoring Inspector

Homes England will – as per the requirements of this tender brief – procure a suitably qualified Compliance Inspector to deliver the scope of services as set out in the four main Duties below.

Homes England will procure the Compliance Inspector from the Property Framework (2018) and make the formal appointment directly. Payments/costs of the Compliance Inspector will be met by Homes England, however **the Compliance Inspector will owe a duty of care to both Homes England and the Developer** – with collateral warranties provided in favour of both parties.

Scope of Services

Duty 1: Pre-Start on Site Meeting

Homes England, the Developer and the Compliance Inspector will meet (pre-start on site) to agree:

- The scope of information that the Developer/Homes England must provide to the Compliance Inspector to support the performing of their duties
- The timing and frequency as to when this information will be provided
- Arrangements for the Compliance Inspector accessing the site for monitoring/ inspection purposes
- The timings for when the Compliance Inspector will circulate their Monthly/Quarterly Monitoring reports

Duty 2: Start on Site Monitoring Report

The Compliance Inspector will prepare and circulate a 'Start on Site Monitoring Report', that will confirm:

- All pre-start planning conditions have been discharged
- The date on which Start on Site was achieved (and from which the Construction Related Deadlines (as defined in the Building Lease) will be measured)
- That the Developer has satisfied all conditions (imposed on them under the Agreement for Lease and Building Lease) necessary to permit start on site

Duty 3: Monitoring Reports

The Compliance Inspector will prepare and circulate 'Monitoring Reports' throughout the full duration of the project. The report will cover the following themes:

- Confirm and record achievement of the various Construction Related Deadlines as they occur, and monitor the Developer's performance against these deadlines and confirm that they are within the contractual tolerances
- The Developer's performance in adhering to the contracted 'Approved Plans'

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- The Developer's performance in adhering to the contracted MMC build specification
- The Developer's build out and sales performance – specifically recording the number of:
 - Plots under construction at that point
 - Plots actively being marketed at that point
 - Plots completed (having secured CML and NHBC (or similar) sign off) and sold at that point
 - Plots completed (having secured CML and NHBC (or similar) sign off) and remaining unsold at that point
 - Plots which fit the Building Lease definition of 'standing stock'
- These figures are to be expressed both as 'in month' figures and cumulative figures over the whole of the project.
- Confirmation of the number of plots that have been physically occupied prior to their freehold transfer by Homes England (i.e. verifying the residents have not been given unauthorised access via lease/ license etc.)
- The Developer's progress in terms of making applications to/ completing agreements with statutory bodies (i.e. s38 agreements, s104 agreements etc.)
- Confirmation that all completed plots are accessible and are fully services with utilities
- The Developer's general adherence to their covenants under the Building Lease.

And if applicable:

- Recording any formal requests made by the developer for variations to the approved plans, etc... and making recommendations to Homes England as to whether these are justified requests and whether the changes are appropriate;
- Recording any formal requests by the developer for formal 'extensions of time' – confirming the validity of the developer's request and the appropriateness of the level of time extension requested;
- Provide confirmation as to whether the Golden Brick threshold has been achieved;
- Identifying any unauthorised deviations away from the approved plans, etc... and / or breaches to the lease that may have occurred;
- In the event of breaches being identified, the Compliance Inspector will need to report on:
 - Whether the breach is capable of remedy;
 - If remedy is deemed possible, the Monitoring Report must make a recommendation as to whether the developer's proposed remediation plan will be satisfactory / the optimal solution for rectifying the breach;
 - Once Homes England has formally accepted the terms of the developer's remediation plan, the Monitoring Report must capture details of the developer's progress in implementing / adhering to this plan;

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- In the event that no remedy is proposed or the proposed remediation plan is deemed unsatisfactory or the proposed (satisfactory / approved) remediation plan is not being properly implemented, the Monitoring Report must set out the deductions to the developer's share of overage that have been imposed by Homes England against that particular breach – and generally keep an account of the various deductions that might arise

Given the length of the project, Homes England is asking for tenderers to provide fee proposals on two bases: (i) Monthly Monitoring Reports; and (ii) Quarterly Monitoring Reports. It is at Homes England's discretion, in consultation with Taylor Wimpey, to choose the most appropriate reporting requirement for the parties needs. All fee submissions will be evaluated on a consistent basis.

Duty 4: Final Completion Certificate

The Developer is prohibited from selling the final two properties on the scheme until such time that they have taken on the freehold of all remaining land within the development.

In the lead up to the completion of the final two properties, Homes England will prepare a red line boundary plan of the land that is to be the subject of the transfer – with the Developer and Homes England preparing the transfer documents in anticipation of completing the transfer.

The House Build Completion Date will be determined from the date on which the Developer issues to the Compliance Inspector and Homes England the NHBC/CML Certificates (or similar) for the final two dwellings in the scheme.

Upon receipt of these documents (NHBC/CML Certificates or similar), the Compliance Inspector will have three working days to:

1. Issue details to Homes England/ the Developer of the level of overage (if any) that is payable to Homes England.

This will involve the Compliance Inspector:

- Determining the sum of money that is subject to overage sharing
- Identifying the share of overage that is due to each party according to the Actual House Build Construction period versus the Target House Build Construction period
- Accounting for any 'deductions' that should be netted from the Developer's share of overage – which have arisen from breaches committed by the Developer that could not be remedied.

2. Review and confirm the accuracy of the red line transfer plan

This will involve the Compliance Inspector reviewing the overall site boundary against the parcels of land in the development already sold – and determining if the residual land left over corresponds to the transfer plan produced by Homes England.

3. The Final Completion Certificate will be issued by the Compliance Inspector once they are satisfied with the following:
 - The NHBC/CML Certificates (or similar) have been issued for every dwelling across the scheme
 - That the scheme has been delivered in accordance with the Approved Plans
 - That the scheme has been delivered in accordance with the agreed MMC specification

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- That the Developer has completed agreements in respect of the s.38 and s.104 and that all plots across the development are accessible and serviced
- That the Developer has generally complied with their obligations under the Building Lease

On receipt of this information, Homes England/ the Developer will have a defined period of time to either accept or else challenge the conclusions of the Compliance Inspector regarding these points.

Subject to the Developer / Homes England accepting the Compliance Inspector's conclusions, the transfer of the remaining freehold in the site will take place to coincide with the developer's payment to Homes England of the agreed overage sum.

A copy of the Compliance Inspector – Scope of Services can be found in Annex B. Please note that the brief refers to Monthly reporting, however Homes England, in consultation with Taylor Wimpey, may vary this to quarterly depending on the needs of the parties.

Industry Standards

It is a mandatory requirement of the commission that reporting services are provided in compliance with the Royal Institution of Chartered Surveyors (RICS) professional guidance note, 'UK – Lender's independent monitoring surveyors, 1st Edition'.

Terms of Appointment

Homes England will appoint the successful tenderer for this commission via its Transaction Management System (TMS). The terms of this appointment will be consistent with the terms set out in the Multidisciplinary Framework Panel agreement. In addition to Homes England, the appointed consultant will provide a collateral warranty to the Developer and this will be stated on the TMS instruction.

Section 5: Tender Response

Bidders are required to submit their tender responses to Homes England providing information set out against the following themes:

Mandatory Requirements

Bidders must explicitly clarify within their tenders the following mandatory points:

1. They have the following levels of insurance cover:
 - Public Liability - £2,000,000.00
 - Employers Liability - £10,000,000.00
 - Professional Indemnity - £5,000,000.00.In respect of each and every claim
2. That all reporting will be carried out in accordance with the RICS professional guidance note, 'UK – Lender's independent monitoring surveyors, 1st Edition'.

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3. That they do not have a conflict of interest in acting for Homes England or the selected Developer on this commission.

Experience, Staff & Management Arrangements

Bidders are asked to provide a short summary of their experience of carrying out similar commissions citing specific examples which include details of the type of work carried out, details of the value of the commission and the client.

Homes England would also like to understand what lessons you might have learned from these past commissions which might add value to this commission.

Bidders are also asked to provide CVs (not included in word limit) for the personnel in your organisation who will work on this commission, details of how the commission will be managed and details of the lead contact in your organisation that Homes England and the Developer will liaise with (including contact details).

Tender responses for this theme are limited to 500 words.

Methodology

Bidders are asked to review the scope of services provided at Annex 3 and set out a methodology for delivering the services required under this commission.

In particular, the methodology should include:

- A summary of your interpretation of the services and information you believe Homes England requires from this appointment
- Statement of how you would propose to manage the commission and engage with both Homes England and the Developer to assemble information required to fulfil your reporting requirements
- Indicate how you would approach the management of construction quality (for example, this is aimed at ensuring there is no dilution in quality between the specification of the scheme ('Approved Plans') and the scheme actually being delivered)
- Indicate how you would record and report on Construction Related Deadlines as they occur (example template reports can be appended to submissions)
- State how you would aim to manage the requirements to fulfil the Compliance Inspector Duties within the fixed reporting timescales.

Tender responses for this theme are limited to 1,000 words.

Cost

Bidders should provide a breakdown of costs associated with the key outputs for the commission – as summarised below:

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Compliance Inspector - Outputs	Requirements
Start on Site Monitoring Report	1 report (inclusive of Pre-Start on site Meeting)
Monthly Monitoring Reports	72 reports (i.e. the no. of months in the agreed build programme)
Quarterly Monitoring Reports	24 reports (i.e. the no. of quarters in the agreed build programme)
Final Completion Certificate	1 Final Completion Certificate

Based on the commission requirements (above), consultants are invited to complete the Fee Schedule provided at Annex C and return this completed schedule alongside their tender response.

Tender Submission

The deadline for tender submissions is **by 12 midnight on Wednesday 20th January 2021**. All submissions should be submitting via the e-tendering system (ProContract) unless explicitly agreed otherwise with Homes England.

Section 6 – Evaluation Criteria

All eligible tender responses will be assessed following a 70:30 price: non-price evaluation framework as follows:

Pass / Fail

Tender responses must provide all information requested under the 'Mandatory Requirements' to be eligible for price: non-price scoring evaluation. Failure to provide all information requested by the submission deadline will result in that tender response achieving a score of zero.

Evaluation & Scoring Criteria – Non-Price (30%)

Element	Max. Marks Available	Scoring	Multiplier Applied to Score
Experience, Staff & Management Arrangements	10%	0-5	X 2
Methodology	20%	0-5	X 4
Mandatory Requirements	Pass/ fail		

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To illustrate, should the tenderer achieve a score of 3 out of 5 against the 'Methodology' theme, this score would be multiplied by the multiplier of 4 in order to determine the percentage score out of 20% - in this example it would be 12%.

Score	Scoring Principles
0	No response to the requirement was provided
1	Major reservations/ poor response to requirements and no examples provided
2	Minor reservations/ below average response to requirements and some examples provided
3	Average/ acceptable response to the requirements and some examples provided
4	Good response to requirements and good range of examples provided
5	Excellent response with a good range of examples, highly relevant to the contract requirements

Evaluation & Scoring Criteria – Price (70%)

The price element of the tender responses will carry a weighting of 70 marks. Bidders should complete Annex 5 to show a breakdown of their costs according to the Compliance Inspector outputs, and tenders should also provide a **LUMP SUM** cost for undertaking the commission.

The cheapest compliant bid will be awarded the full 70 marks. The cheapest tender response will be considered to be the firm who has the lowest lump sum price for all the relevant services. All other compliant responses will be given a pro-rata score based upon their costs in relation to the cheapest bidder.

For example, the cheapest bid received is £100 and your bid is £150 – in this scenario you will receive a score of 46.67 for price, calculated as:

$$\text{Worked Example: } \frac{£100}{£150} \times 70 = 46.67$$

Owing to the nature of the selection process, the decision of Homes England is final. No subsequent correspondence will be entered into. Agreement to these terms is a pre-condition of entry to the mini tender process.

Homes England requires bidders to tender an all-in fixed cost for carrying out these services.

It is recognised that some months/quarters will require minimal reporting input from the Compliance Inspector – typically earlier in the development process – whilst other months will require more extensive investment of time.

The schedule contained in Annex C requires bidders to submit a fixed fee for the following activities:

1. Start on Site Monitoring Report, inclusive of time for a Pre-Start on Site Meeting with Homes England and Developer
2. Monthly Monitoring Reports
3. Quarterly Monitoring Reports
4. Final Completion Certificate

Payments will be made on a monthly or quarterly basis (depending Homes England's decision on the frequency of reporting following the procurement process) across the anticipated duration of the project.

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For activities 1. and 4. a one-off payment will be made following completion of each activity, and for activity 2 or 3 (depending on the option selected by Homes England), fixed payments will be made.

In the event the project runs beyond the projected programme, or falls short of it, the sum paid to the consultant under Activity 2 or 3 will remain fixed per calendar month or quarter (depending on the option selected). For example, assuming a cost of £100 per Monthly Monitoring Report for Activity 2 and the project runs for 60 months the consultant will be paid £6,000, and should the project run for 70 months the consultant will be paid a sum of £7,000.

Bidders should note that Homes England wishes to avoid a scenario where fixed price offers are tendered with a significant number of conditions/caveats attached. Instead, bidders should seek to tender fixed price cost to Homes England that is reflective of the bidder's risk – and such that the need for conditions/ caveats can be removed.

Section 7 – Freedom of Information

Tenderers are advised that the Client is subject to the Freedom of Information Act 2000 (Fol) and/or Environmental Information Regulations 2004 (EIR) requests. If a candidate considers that any of the information supplied as part of this procurement procedure should not be disclosed because of its commercial sensitivity, confidentiality or otherwise, they must, when providing this information, clearly identify the specific information they do not wish to be disclosed and clearly specify the reasons for its sensitivity. The Client shall take such statements into consideration in the event that it receives a request pursuant to either Fol or EIR that relates to the information provided by the interested party. Please note that it is insufficient to include a statement of confidentiality encompassing all the information provided in the response.

Section 8 – Transparency and Bribery & Corruption

Transparency

This procurement and award of this Contract is subject to the transparency arrangements being adopted by the UK Government. These arrangements include the publication of tender documentation issued by The Client and the Contract between The Client and supplier. Tenderers should highlight any areas they consider commercially sensitive in order for the Client to be able to honour our transparency obligations without undermining the Tenderer's commercial interests.

The contract value associated with the successful Tender and the name of the Tenderer may be published. As part of the Governments Transparency Agenda, the Client regularly makes available details of expenditure in excess of £500.00 by supplier.

Bribery & Corruption

The Client takes a zero-tolerance approach to bribery and corruption and sets high standards of impartiality, integrity and objectivity in relation to the stewardship of public funds and the management of its activities. As an example, please refer to the Homes England Anti-bribery and Corruption Policy

((<https://www.gov.uk/government/publications/homes-england-counter-fraud-policy>)) for further information. The principles contained within this policy apply to both internal and external audiences, including anyone wishing to undertake business or engage with the Client.

Section 9 – Contact Details

Contact Details

The lead contacts in relation to this ITT are as follows:

Jake.Skilki@HomesEngland.gov.uk

All enquiries concerning this ITT should, in the first instance, be directed through the e-tendering system.

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