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| Strategic Research and Economic Analysis Framework |

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| Further Competition Invitation to Tender  **Housing and the Economy – Local Analysis**   |  | | --- | | **Issue Date: 07/12/2023**  **ProContract Identification Number:** **DN702641** | |

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**Introduction**

The purpose of this Further Competition Invitation to Tender (ITT) is to award the call-off contract for the above commission*.*

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** 
   1. Housing has a fundamental role to play in supporting economic development and place competitiveness, but further research is needed to better understand how different types of investment in housing impact on economic outcomes across a typology of different spatial areas. This commission is focused on developing our understanding of the relationships between housing and economic performance, recognising that this complex relationship will vary from location to location, requiring consideration of an area’s history, the demographic of its current population, the make up of the housing stock, the mix of current businesses, its geographic location and local political priorities (among a wide range of other factors).
   2. The commission aims to bring together the available qualitative and quantitative evidence to gain an understanding of these relationships, the scale of economic outcomes and ultimately use this understanding to inform plans for housing development in the area. We are interested in exploratory research and the use of new/novel datasets and/or analytical approaches that may help to provide new insight in this area. For the avoidance of doubt, the commission is not focused on the temporary impact of housing development associated with construction and the associated supply chain impacts.
   3. A staged approach is being taken to the commission, allowing each stage to inform the next. At the end of each stage, we would anticipate the supplier providing Homes England with proposals for the next stage. Section 3 provides further information on some of the tasks that we might expect to be involved in the commission, however we are open to suppliers proposing a preferred approach to delivering the commissions objectives, including the number of stages and the scope of these stages. Suppliers should consider the budget constraints set out in Section 5 and the need for Homes England to manage the uncertainty involved in the project (i.e. having a suitable number of approval points) when determining the number of stages being proposed.
   4. A fixed price is being sought for the initial stage(s) to cover the 2023/24 financial year. Recognising that the scope of work proposed by suppliers for these early stages may vary, the evaluation of tenders will be based on proposed day rates as opposed to the fixed price for the initial stage(s). Further detail on the approach to tender evaluation is provided in Part 2.
2. **Objectives** 
   1. The commission’s objectives are:

* To gain new insight into the relationship between housing and local economic outcomes that can be used to inform the development of housing strategy.
* To provide evidence on the scale of local economic impacts linked to housing development.
* To develop a qualitative and quantitative research methodology that can be used to consistently investigate the relationship between housing and economic performance at the local level.
* To test this research methodology with a case study/number of case studies.

1. **The Services**
   1. To deliver on the objectives we would expect the commission to involve the tasks outlined below. Suppliers may therefore consider how these tasks (or variations of them) might fit within their proposed approach and stages required to deliver the commission objectives.

**Task A: Typology of local areas**

* 1. The role of housing is expected to vary from place to place and will be dependent on the scale and make up of the existing housing stock, the scale and make up of new homes being built and the scale and make up of new homes needed to support the economic performance of a local economy. While we might expect a degree of the analysis to necessarily be specific to each local area, recognising the different historic experiences and expected future trajectories, it may be helpful to define a set of typologies that can be used to categorise some of the methods used through this research. For example, where the research required for an area that is performing well economically and needs new housing to support continued growth may differ to that for an area that is suffering from deprivation where housing may play a role in overcoming this.
  2. We should be clear here that any categorisation should be focused on facilitating the research approach as opposed to being focused on grouping local areas by, e.g. level of deprivation.
  3. Some examples of potential typologies are included below, however these should be developed further by the supplier as part of the commission;
* Areas that have performed well over recent history where work may focus on understanding the role of housing in this performance and what is required to maintain strong levels of growth.
* Areas that have reversed low deprivation where work may focus on the role of housing interventions in overcoming deprivation and the role housing can play in further strengthening the local economy.
* Areas whose economies have declined where work may consider the role of housing as part of this decline and the potential contribution of housing in reversing this.
* Areas with sustained deprivation and poor economic performance, where work could focus on understanding the role of housing in the continued poor performance and how investment in housing could help to break the cycle.

**Task B: Evidence sources and measures of local economic performance**

* 1. A review should be undertaken to consider the range of evidence sources that could be used to inform the research. This should include both qualitative and quantitative sources. Examples of qualitative sources might include sources focused on understanding local growth and housing policy. Examples of quantitative sources might include local sub-sets of macro level indicators (e.g. growth or deprivation measures from national statistics) and opportunities to utilise micro/granular data to gain new/novel insight.
  2. An important part of this stage will be to define an approach to measuring local economic performance. This could, for example, include measures of;
* Economic productivity
* Economic output
* Employment/unemployment
* Incomes
* Business investment
* Business formation
* Skills
* The distribution of the above indicators among different groups
  1. The distribution of impacts is of note in understanding the role of new housing in benefiting different target groups. For example, this could be existing residents of deprived communities or new skilled residents required to support local businesses. Recognising that different housing products will support different groups in different ways will be important in understanding the distribution of economic impacts.

**Task C: Research approach**

* 1. Having considered the evidence available, this stage would involve developing the approaches that may be taken to analysing the evidence. This may include the detailed methods to be used to analyse sources of quantitative data and how these may be combined with qualitative evidence to draw the required conclusions. Where possible, methods that allow for conclusions to be drawn around the causal links between housing and economic performance or between economic performance and housing would be beneficial.

**Task D: Testing of research approach using a case study or case studies**

* 1. Having developed a research approach, this task involves applying the approach to a case study or studies. The aim of these studies should be both to produce a case study that can be used to carefully test the success of the methods proposed through the initial stages and to demonstrate to stakeholders what the output from the proposed analysis will look like.

**Task E: Refine research approach**

* 1. Having completed the initial case study/studies, the research approach should be reviewed and updated to reflect any lessons that may have been learnt in terms of data quality, research methods or the approach to drawing conclusions.

**Task F: Final Report – Research approach and case study**

* 1. A final report should be prepared in two parts. The first part should detail the research approach, providing information on the data sources and analytical methods used and how these are brought together to draw a set of conclusions for the area. The aim should be for this report to provide a guide that can be used to replicate the approach taken to the case study/studies and should be produced using a template provided by Homes England and to a standard that would allow for publication (e.g. to allow Local Authorities to commission work that replicates the method).
  2. The second part of the final report should provide detail on the case studies undertaken. The report should be produced using a template to be provided by Homes England and to a standard that would allow for publication by Homes England.

**Task G: Further case studies**

* 1. Following the completion of the work to develop and test the research approach, Homes England may commission additional case studies. These may be used to further test and refine the research approach or be undertaken primarily to inform strategy development in those areas.

1. **Key Deliverables** 
   1. The key deliverables from the commission will be the output from the case study/studies and the refined guidance note that enables the research methodology to be replicated.
   2. Interim reports should also be provided that link to key project stages and payment milestones.
2. **Budget**
   1. An initial budget of £15,000 is available in 2023/24. We would anticipate this being used to initiate the early stages of the commission and allow for the development of proposals for the next stages of the project.
   2. The budget available for the 2024/25 financial year has yet to be finalised. However, we would anticipate the budget for this commission in 2024/25 being in the region of £85,000.
   3. When suppliers are determining their preferred approach to the staging for the project, they should recognise that currently we are only able to commit to the initial stage(s) of work to be delivered within 2023/24. Further commitments will be made as the project progresses, proposals are made and the available budget confirmed.
3. **Indicative Programme**
   1. Suppliers should note the indicative programme dates when preparing their Programme information in the Response Form.

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| **Key Delivery Milestones** | **Anticipated Date** |
| Commencement Date | February 2024 |
| Initial stage(s) complete | March 2024 |
| Completion Date | September 2025 |

1. **Management**
   1. The supplier will be managed by a Senior Economist in the Homes England Economics Team and will need to engage with a variety of colleagues across Homes England in completing the commission.
   2. The supplier will be expected to provide regular updates on progress to the Homes England Project Manager. Updates will be expected at least every two weeks with the appropriate form of these (e.g. teleconference vs email) being agreed between the supplier and Project Manager (noting this may vary through the project).

**Meeting Requirements:**

**Inception meeting**

* 1. An inception meeting will be held between the supplier and Homes England as soon as is practicable following contract award. This might ideally be within 1 week of contract award.
  2. The Homes England Project Manager will coordinate attendance among Homes England colleagues and would anticipate representatives from several parts of the organisation with an interest in the project. The supplier should ensure appropriate attendance from the supplier and any sub-contractors.
  3. The purpose of the meeting will be to agree the management arrangements for the project and to determine what input the supplier requires from Homes England.

**Review meetings**

* 1. Regular meetings will be held with the supplier through the commission, ensuring the project remains on track to deliver agreed milestones and that the supplier is getting the necessary inputs from Homes England.

**Poor Performance Meeting**

* 1. 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. **Payment**
   1. Payments will be made on the completion of project milestones. These milestones will be agreed with the supplier on the inception of the project.
2. **Termination**
   1. 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.
   2. 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.
3. **Conflict of Interest**
   1. 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.
   2. 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.
4. **Confidentiality**
   1. 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.
   2. 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. The Further Competition deadline is **18:00 on 17/01/2024** 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).
   2. 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.
   3. **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.**
   4. 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.
   5. 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.
   6. 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 word limits set out in Section 6 (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 word limit will be increased.
   7. 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.
   8. Tender responses must be written in English.
   9. 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.
   10. Homes England reserves the right to cancel this Further Competition process at any time.
2. **Quality**
   1. A Response Form template has been provided in Part 2 to respond to the Quality questions detailed in Section 6 (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).
3. **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. A lump sum fixed fee for the initial stage of the commission, which should be completed within the 2023/24 financial year, should be provided.
   3. Day rates should be provided in the Resource and Pricing Schedule, with the Framework Rates setting the maximum that should be applied for each grade. These rates will be used for further stages of work to be completed in the 2024/25 financial year.
   4. 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.
4. **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 6 (Evaluation Criteria) below and the scoring approach is detailed in Section 7 (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 FTS Services threshold. Unsuccessful Framework Suppliers will be provided with their scores and feedback to explain the award decision.
5. **Documents to be Returned**
   1. Suppliers are expected to provide the following information in response to this Further Competition ITT:

* Completed Response Form
* Completed Resource and Pricing Schedule
* Supporting CV’s for staff proposed to undertake this commission (no more than 1,000 words each)

1. **Evaluation Criteria**

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| --- | --- | --- | --- |
| Quality will account for **80%** of the Overall Score. The following scoring methodology will apply:  **10 – 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.  **8 – 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.  **6 – 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.  **4 - Minor Reservations** Some minor reservations of the Supplier’s understanding and proposed methodology, with limited evidence to support the response.  **2 – 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 - 2 for any one question your overall submission will be deemed as a fail.  Any text beyond the specified word 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 | **Technical Merit of Proposal**  The proposal should detail the approach to be taken to deliver the commission.  **Maximum word limit** = 3,000 words | Statement outlining method and approach explaining how the commission will be undertaken. Detail should be provided on work proposed for the 2023/24 financial year and the proposed approach to further stages of work in 2024/25.  Schedule of services to be delivered in the 2023/24 financial year  Information on other Supplier input that may be required  Identification of other information that may be required  Other commentary on the brief  Supported by relevant examples, where applicable, demonstrating how they are relevant to the approach proposed | 40% |
| 3 | **Staff and other Resources**  Demonstrate that the supplier will devote staff with suitable expertise to complete the commission to the standard required to be accepted by central Government stakeholders.  **Maximum word limit** = 2,000 words  Up to 10 staff CVs may be included in addition to this word limit and should be no more than 1,000 words each. | Who will undertake the commission and why have they been chosen?  Identify key members of staff and allocation to the required services  How much time will they devote to it?  Supported by resourcing information provided in Resource and Pricing Schedule  Supported by CVs for key members of staff | 30% |
| 4 | **Management and Communication**  *Demonstrate that robust management process will be in place to ensure the successful delivery of the commission.*  ***Maximum word limit*** *= 500 words* | How will the commission be managed?  Who will be responsible for reporting to the Client?  Who will manage the team?  Where subcontracting arrangements are in place, who will manage the contract? | 5% |
| 5 | **Programme**  Provide timescales for the completion each part of the commission.  ***Maximum word limit*** *= 500 words* | What is the programme for the required services?  Are the programme dates we have given achievable?  Identify risks which may affect the programme or costs, what impact they may have, and any mitigation. | 5% |

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| 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  Proposed Day Rates | 20% |

Each supplier’s price will be determined using the weights set out below. These weights will be applied to each suppliers proposed rates, including any discount to the framework rates that may be offered.

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | | **Trainee Consultant** | | | **Junior Consultant** | | **Consultant** | | **Senior Consultant** | | **Principal Consultant** |
| **Weight for evaluation** | | **20%** | | | **20%** | | **20%** | | **20%** | | **20%** |
| Suppliers’ framework rate | |  | | |  | |  | |  | |  |
| Suppliers proposed rate (including any discount) | |  | | |  | |  | |  | |  |
|  |  | |  |  | |  | |  | |  | |
| **Weighted average rate for evaluation** | | | | | | | | | |  | |

1. **Worked Example**

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

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Bidder | Question | Score out of 10 | Weighting | Weighting Multiplier | Weighted Score | Total Weighted Score |
| Supplier A | 1 | 6 | 40% | 4.0 | 24 | 53 |
| 2 | 8 | 30% | 3.0 | 24 |
| 3 | 6 | 5% | 0.5 | 3 |
| 4 | 4 | 5% | 0.5 | 2 |
| Supplier B | 1 | 9 | 40% | 4.0 | 36 | 67 |
| 2 | 8 | 30% | 3.0 | 24 |
| 3 | 8 | 5% | 0.5 | 4 |
| 4 | 6 | 5% | 0.5 | 3 |
| Supplier C | 1 | 4 | 40% | 4.0 | 16 | n/a (fail)\* |
| 2 | 2 | 30% | 3.0 | n/a |
| 3 | 4 | 5% | 0.5 | 2 |
| 4 | 4 | 5% | 0.5 | 2 |

\* 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 | Weighted average rate | Lowest price/Supplier’s rate (as %) | Price Score (out of 20) |
| Supplier A | 350 | 350/350 = 100% | 100%\*30 = 20 |
| Supplier B | 700 | 350/700 = 50% | 50%\*30 = 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 | 53 | 20 | 73 | 2 |
| Supplier B | 67 | 10 | 77 | 1 |
| Supplier C | n/a | n/a | n/a | n/a |

**Part 3**

1. **Response Form**

|  |  |
| --- | --- |
| **Framework:** | Strategic Research and Economic Analysis |
| **Project Title:** | Housing and the Economy |
| **ProContract Identification Number:** | DN702641 |
| **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. **Technical Merit of Proposal**
2. **Staff and other Resource**
3. **Management and Communication**
4. **Programme**
5. **Resource and Pricing Schedule**

Excel spreadsheet to be embedded by Supplier in response.