



Homes
England

Making homes happen

Multi-Disciplinary Technical Services Framework Panel

Procurement & Appointment of a Compliance & Monitoring Inspector

Invitation to participate in a mini-tender

Cottam Hall Phase 5, Cottam Hall

Preston, Lancs (Ref DN573737)

Submission Deadline: 1:00 pm Monday 18th October 2021

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Homes England Land: Cottam Ph 5, Cottam Hall, Preston



A Site Plan is attached as Annex 1

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) that contains provisions obliging the selected developer to deliver at an accelerated rate. There are other obligations in the Building Lease such as incorporating Modern Methods of construction (MMC), adopting Building for a Healthy Life design standards and maintaining health & safety construction standards.

With regards to Cottam Phase 5, Homes England's North West land team has now successfully procured and selected Barratt David Wilson (BDW Trading Ltd) as its preferred developer partner.

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To support Homes England in administering the delivery obligations placed on BDW in developing this site, we intend to procure a single firm from the Multi-Disciplinary Technical Services Framework to act as the Agency's Compliance Inspector (CI).

Section 2: The Site

A summary overview of the Cottam Phase 5 site is provided below:

Details	<Site>
Address	Cottam Ph 5, Cottam Way, Cottam Hall, Preston Lancs. PR4 OWL
Site Area (gross)	10.89 ha (26.9 ac) greenfield land the majority of which comprises farmland, trees and hedgerows.
Description	<p>Homes England will grant a 125 year Building Lease to BDW on satisfaction of all conditions precedent in the Agreement for Lease.</p> <p>The Approved Plans, which will be attached to the Building Lease, will include obligations to build at pace, to incorporate MMC and to adhere to the principles of good design in accordance with the Developer's successful tender which comprised a fixed land price, schematic layout, sales pricing schedule and MMC content.</p> <p>On receipt of satisfactory planning permission and other conditions precedent, BDW will be granted a Lease of the area edged red on the plan above for the construction of a minimum of 211 homes, the estate roads, site flood/drainage mitigation, GCN mitigation and open space. The area edged green may be subject to a separate planning application for the development of a further 15 homes, and if successful will be retained in the Lease. If not, the area will be surrendered back to Homes England for separate disposal and will not form part of the Compliance Inspector's instruction.</p> <p>The Lease will incorporate key performance targets which must be met by BDW; over / under performance will determine their share of overage (if any). In event of a significant breach, the Lease can be rescinded.</p> <p>The Building Lease provides for the transfer of individual freehold plots to purchasers on evidence of satisfactory construction in accordance with the Approved Plans.</p> <p>All roads and service infrastructure will be built to adoptable standards and adopted by the appropriate authorities. Non-adoptable access roads, GCN mitigation areas, public open space, landscaping and other communal assets will be transferred into a ManCo.</p>

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	<p>The Developer will be required to enter into Section Agreements with Lancs County Council to construct a new access from Cottam Way and to link into the Morris scheme at The Weald to the east and at two points into the Rowland development to the west.</p>
Current Planning Status	<p>There is an extant Outline Planning Permission (Ref 06/2012/0145) dated 27th March 2013 for the development of up to 1100 dwellings on the wider Cottam Hall estate subject to several s.106 Agreements and variations made with the developers of earlier phases.</p> <p>Barratt David Wilson's Reserved Matters application for 211 dwellings ((Ref 06/2021/1022) totalling 217,261 sq ft (20,185 sqm) was approved by Committee on 30th September 2021, and the decision should be confirmed in mid-November following a judicial review period.</p> <p>The Outline includes non-residential uses to be delivered in the Cottam Hall area for "retail (Class A1 500 sqm), commercial (Class A3 1600 sqm) and community facilities (Class D1/D2)....". There is a parcel of land within Phase 5 coloured in pale blue on the Framework Masterplan (of the Outline) that is to be developed for "<i>community facilities, continuing care, commercial and local energy</i>". Some of these non-residential uses have already been delivered at Cottam Hall. The pale blue land is represented on the Site Plan (Annex 1) in green outline. In the Agreement and draft Building Lease this parcel is defined as the Additional Land. BDW's application excludes this Additional Land.</p> <p>There are provisions within the proposed Building Lease for BDW to make a planning permission and if successful to develop the Additional Land for an additional 21 dwellings. However, if they are refused or conditions are applied that are considered unacceptable, the Additional Land will be surrendered back to Homes England, and by Deed BDW will be required to provide access, services and drainage to this parcel.</p>
Unit Numbers	211 of which 30% will be affordable homes (22.5% by floor area).
Grant of Building Lease (latest)	March 2021
Estimated Start on Site	April 2021
Fixed Pace of Development from House Build Commencement	<p>An average of three dwellings per calendar month across all tenures.</p> <p>Construction Related Deadlines will be written into the Building Lease at (i) 18 months and thereafter at (ii) 12 monthly intervals throughout the construction period.</p>

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	The actual Pace of Development will determine the apportionment of Overage (if any), incentivising faster pace and penalising slower pace.
Estimated date for Practical Completion	6 years 4 months from House Build Commencement (expected in July 2022). A substantive start on site is expected in April 2021.
Modern Methods of Construction	BDW will commit to 100% of their units being constructed using Category 3 "Pre-manufactured Structural Assemblies and Sub-assemblies". This commitment will comprise a Pre-cast Insulated Foundation system for all dwellings and prefabricated structural Roof Panels (SIP) for the 2.5 storey dwellings.
Site Specific Comments	Owing to the pandemic and the introduction of Part L, the Agreement with BDW and the appended draft Building Lease incorporate non-standard clauses relating to lockdowns, material and labour supply shortages, extreme market conditions and price adjustments etc which place even greater emphasis on the need for accurate contract compliance and construction delivery.

The red line boundary for the site can be seen on the Site Plan in the attached Annex 1.

The green line boundary represents Additional Land that may be the subject of a separate planning application for an additional 21 homes. If the planning application is approved and BDW choose not to surrender the land back to Homes England, the land will be added into this Compliance Inspector Appointment *pro rata* using the fee rates derived from Annex 8, the Fee Schedule. If the planning application is refused or includes onerous planning conditions, BDW may choose to surrender that area of land back to Homes England, in which case it will not form part of the Compliance Inspector duties.

Section 3: Developer Duties

The following duties are required of the Developer by Homes England and were indicated during the competitive tendering process to identify our development partner:

- 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 ITT;
- Discharge all relevant outline planning conditions associated with the scheme;
- Meet the S106 obligations relevant to Phase 5;
- Meet Homes England's requirements in respect of:
The minimum build-out pace;

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The minimum MMC specification score;

- 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;
- Comply with Preston City Council's affordable housing planning policy. (BDW propose to offer 30% of their dwellings at a 67% discount to market value to Approved Persons).
- 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 roads associated with the development and with the local authority
- Set up a management company in respect of the scheme's public open spaces and other non-development areas;
- 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

As a Condition Precedent of the Agreement for Lease Homes England must procure a suitably qualified Compliance Inspector to deliver the Scope of Services as summarised in the four main Duties below.

Homes England will procure the Compliance Inspector from the Multi-Disciplinary Technical Services Framework (2019-23). Homes England will make the formal appointment directly through TMS. The CI will enter into a Collateral Warranty with the Developer. This is reproduced in Annex3, from Sch 11 Part 2 of the Framework Contract.

Note: Annex 2 is not used in this document

Scope of Services

The Scope of Services (Compliance Inspector – BDW Building Lease) is attached as Annex 5.

Note: We are proposing that the frequency of Interim Monitoring Reports and On-site Inspections differs from the Scope of Services included in the Building Lease.

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, which as a minimum will include:
 - copies of the Approved Plans and Tender Form 5 (Building for a Healthy Life)
 - the Agreement for Lease and Building Lease
 - s106 Agreements relevant to Phase 5
 - Natural England Licences for the protection of GCN (and other species as appropriate)
- The timing and frequency as to when this information will be provided
- Arrangements for the Compliance Inspector to access the site for monitoring/ inspection purposes
- The timings for when the Compliance Inspector will circulate their Monthly 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 will be measured)
- That the Developer has satisfied all conditions precedent imposed on them under the Agreement for Lease and Building Lease prior to Start on Site

Duty 3: Monthly Monitoring Reports and Quarterly Inspections

The Compliance Inspector will:

- (1) prepare and circulate Monthly Monitoring Reports throughout the full duration of the project, and
- (2) conduct Monthly on-site inspections until Golden Brick of the first home is achieved (estimated to be a period of eight months) and thereafter Quarterly on-site inspections until Completion of all External Works.

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Each Monthly 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'
- The Developer's performance in adhering to the contracted MMC build specification as described in Tender Form 4 Version 3 (9th November 2020) attached as Annex 7, to be delivered across all dwellings to be developed under the Reserved Matters planning permission relating to the both the main parcel and, if relevant, the Additional Land.
- 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) (distinguishing between market and affordable homes) and sold
 - Plots completed (having secured CML and NHBC (or similar) sign off) and remaining un-sold 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 (ie 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, s278 agreements, etc.)
- The Developer's progress in undertaking other site specific works listed above;
- Confirmation that all completed plots are accessible and are fully serviced with utilities;
- The Developer's general adherence to their covenants under the Building Lease.

Duty 4: Final Completion Certificate and Report

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 Certificates (or similar) for the final two dwellings in the scheme.

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

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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 have not been 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:
 - That NHBC 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
 - That the Developer has completed adoption agreements in respect of the s.38 and s.104 works and that all plots across the development are accessible and serviced
 - That the Developer has completed the Site Specific Works in accordance with the s278 Agreement as evidenced by the highway authority
 - 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.

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

Whilst Homes England will procure the Compliance Inspector from the Multi-Disciplinary Technical Services Framework (2018), the Developer will make the formal appointment directly. Although payments/ costs of the Compliance Inspector will be met by the Developer, the CI will provide a Collateral Warranty to the Developer in the form attached as Annex 3 (Sch 13 of the Framework Agreement).

Homes England reserves the right not to award any contract.

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.
2. That all reporting will be carried out in accordance with the RICS professional guidance note, 'UK – Lender's independent monitoring surveyors, 1st Edition'.
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, particularly with regard the monitoring of MMC and design quality in accordance with Approved Plans and Tender Form 5 – Design Response (Annex 6).

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 above and set out a brief methodology for delivering the services required under this commission.

In particular, the methodology should include:

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- 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 approach monitoring the contracted elements of Modern Methods of Construction to incorporated in the development
- 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

On the Tendered Fee Schedule (Annex 8) bidders should provide a breakdown of costs associated with the key outputs for the commission – as summarised below:

Compliance Inspector - Outputs	Requirements
Start on Site Monitoring Report	1 report (inclusive of Pre-Start on site Meeting)
Monthly Monitoring Reports	84 reports (based on 84 months in the agreed build programme from Start on Site (Month 12) to Completion of Last Sale (Month 96).
Monthly Inspections until Golden Brick of the 1 st dwelling	We propose that for the period from Start on Site until Golden Brick of the first dwelling, (assume 8 months) the Compliance Inspector should attend on site monthly to inspect site set-up, infrastructure and ground works.
Quarterly Inspection from Golden Brick to Completion of Last Sale	Thereafter the Compliance Inspector must continue to provide Monthly Monitoring Reports, but we propose only needs to attend on site quarterly (ie every fourth month) to check progress, unless an issue arises that requires attendance.
Final Completion Certificate and Report	(1) To confirm that <ul style="list-style-type: none"> • all dwellings have NHBC certification,

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	<ul style="list-style-type: none"> the whole development has been completed in accordance with the Approved Plans and Performance criteria, all s38, s278 and s104 Agreements have been completed and roads and services adopted, all common areas and remainder land have been transferred to the Developer or a ManCo. <p>(2) To consider and calculate the sum and appropriate share of any Overage that is due to each party having regard to Developer performance against delivery targets and to calculate any deductions to be netted off for breaches that have not been remedied.</p>
Scheme Total (exc VAT)	
VAT	
Total Fixed Fee (inc VAT)	

Based on the commission requirements (above), consultants are invited to complete the Fee Schedule provided at Annex 8 and return this completed schedule alongside their tender response.

Tender Submission

The deadline for tender submissions is by **Monday 1:00 pm on 18th October 2021**. All submissions should be submitting via the e-tendering system (ProContract) unless explicitly agreed otherwise with Homes England.

Late submissions will be disqualified from the mini tender.

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		

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 8 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.

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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 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 Fee Schedule contained in Annex 8 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. a Monthly Monitoring Reports (with inspections) for the period from Start on Site to Golden Brick of the first dwelling
 - b Monthly Monitoring Reports (with quarterly inspections) from Golden Brick to Completion
 - c. Monthly Monitoring Reports (with no inspections) from Golden Brick to Completion
3. Final Compliance Certificate

Payments will be made on a monthly basis across the anticipated duration of the project. For Activities 1 and 3, a one-off payment will be made following completion of each activity, and for Activities 2a-c fixed payments will be made on a monthly basis.

In the event the project runs beyond the projected programme the fees paid per calendar month to the Consultant under Activity 2 will remain as per the fee tendered. For example, assuming a tendered cost of £300 per Monitoring Report with on-site inspection and £100 per Monitoring Report with no inspection, fees will continue to be paid at these rates.

This will apply therefore if BDW choose to develop out the Additional Land for the development of an additional 15 homes.

In the event that the project is terminated before the projected programme, the Consultant's appointment will similarly terminate unless continued by agreement at that time.

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. No changes to the Framework Appointment of Consultant will be entertained.

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 Counter Fraud Policy (link below). The principles contained within this policy apply to both internal and external audiences, including anyone wishing to undertake business or engage with the Client.

<https://www.gov.uk/government/publications/homes-england-counter-fraud-policy>

Section 9 – Contact Details

The lead contact in relation to this ITT is as follows:

Nick Alderson
nick.alderson@homesengland.gov.uk
01925 644679
07785 72162

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

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[gov.uk/homes-england](https://www.gov.uk/homes-england)

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