



Homes
England

Property & Financial Professional Services Framework 2022-26

Further Competition Invitation to Tender (Stage 3
Over FTS Threshold)

**BIL, HIF and Infrastructure Funding Due Diligence
Services (Property Framework) 2023-2028**

Issue Date: 18/8/2023

ProContract Identification Number: DN682562



Table of Contents

1. Introduction.....	4
Part 1 – Commission Requirements	
2. Commission Background	5
3. Objectives.....	6
4. The Services.....	8
5. Post-Award allocation of specific Project Work.....	10
6. Key Deliverables	13
7. Site Information	13
8. Indicative Programme	13
9. Management.....	14
10. Meeting Requirements.....	14
11. Key Staff	15
12. Risks.....	15
13. Payment	15
14. Collateral Warranty	15
15. Termination.....	16
16. Conflict of Interest.....	17
15. Confidentiality	17
16. Health and Safety	17
Part 2 – Instructions for Submitting a Response	
19. General.....	18
20. Quality	19
21. Pricing.....	19
22. Evaluation.....	21
23. Documents to be Returned	22
24. Evaluation Criteria	23
25. Worked Example	26
Part 3 – Response Form	
26. Response Form.....	29
27. Resource and Pricing Schedule	31

Introduction

- 1.1 The purpose of this Further Competition Invitation to Tender (ITT) is to award the call-off contract for the above commission.
- 1.2 We ask you to respond to the questions detailed in Part 2, paragraph 22 (Evaluation Criteria) using the Response Form and to return the Response Form, Fixed Price Project Work Schedule and Daily Rate Pricing Schedule in Part 3 with your tender.
- 1.3 This Further Competition ITT is divided into 3 parts:

1.4 Part 1 – Commission Requirement

- Details the commission requirements.
- Details additional terms and conditions for the Further Competition. The successful Suppliers 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.

1.5 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.

1.6 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

2. Commission Background

2.2. As the government's housing and regeneration agency we believe that affordable, quality homes in well-designed places are key to improving people's lives. Together with our partners, we're accelerating the pace of house building and regeneration across the country, as we seek to deliver homes and places people are proud to live in – for generations to come.

2.3. Homes England set out a five year strategic plan in May 2023, (see link here: [Homes England Strategic Plan 2023-2028](#))

2.4. Our Mission is to;

"...drive regeneration and housing delivery to create high-quality homes and thriving places. This will support greater social justice, the levelling up of communities across England and the creation of places people are proud to call home."

(Homes England Strategic Plan 2023-28)

2.5. Our Investments Directorate is a specialist delivery business unit responsible for various types of funding that contribute to the building of more homes. This funding is delivered on behalf of Department for Levelling Up, Housing and Communities (DLUHC). The Infrastructure Grants team sits within the wider Investments Directorate and manages the provision of capital grants to fund infrastructure and unlock housing capacity where it is needed most.

2.6. The purpose of this commission is to appoint **four** Property Framework suppliers to deliver the majority of property advisory services required for the following funding programmes listed below, as well as potential future funding programmes which may emerge within the five-year life of the commission:

- i. **The Brownfield, Infrastructure and Land (BIL) Programme** (see Box 1 below). The Programme provides £1bn. of capital funding, part of which is to support the delivery of infrastructure projects that will unlock housing land. Suppliers should note this commission relates only to work arising from grant opportunities under BIL and excludes services in relation to any land acquisition by Homes England under the BIL Programme. These will be procured separately.

Direct Appointments for the supply of due-diligence services for potential BIL projects will be issued by the Infrastructure Grants Transacting Team. This team manage the initial assessment, business case reporting and recommendation of projects (for approval) and 'contracting' of project funding via formal grant agreements with applicants.

Box 1 – BIL Infrastructure Grant Funding

The BIL Programme is new a flexible funding pot available to local authorities and developers on a competitive basis that aims to support economic growth and housing supply where there is evidenced need and opportunity, with a focus on brownfield land. The BIL Programme makes forward funding available for housing-led, infrastructure and land projects to support local authorities achieve ambitious housing and economic growth, accelerate housing supply, and deliver affordable homes and wider place-making objectives.

The Fund is available via a process of ‘Continuous Market Engagement’ (CME), across England (outside the GLA and Mayoral Authorities – which have their own similar funds), with a focus on areas with the greatest potential for economic growth, levelling up and areas of high housing unaffordability (top 50%). The objectives of the Fund are set out here <https://www.gov.uk/guidance/brownfield-infrastructure-and-land-fund#how-we-prioritise-applications> and summarised below:

- support for areas with the greatest potential for economic growth or with the greatest affordability pressures
- best value for money for the taxpayer
- greatest potential for early delivery
- scale of development
- alignment with the following policy priorities:
 - ✓ brownfield development
 - ✓ unlocking economic growth (through provision or regeneration of, or supporting connection to, social amenities)
 - ✓ maximising private-sector investment
 - ✓ design quality, beauty, sustainability and carbon reduction
 - ✓ diversification and innovation in the housing market
 - ✓ alignment to local housing and infrastructure needs

Infrastructure funding under BIL must be contracted by March 2026, albeit, some projects may require an extended ‘grant availability period’ – which will be agreed case by case. The tight delivery timeframe means we need to complete technical assessment of potential schemes as quickly as possible.

- ii. **Housing Infrastructure Fund (HIF), see Box 2.** The HIF Fund is an existing government capital grant programme of up to £3.6bn for new physical infrastructure which will unlock sites in the areas of greatest housing demand to help unlock 280,000 new homes in England. Funding has already been awarded to local authorities on a highly competitive basis. Direct Appointments for the supply of due-diligence services for contracted HIF projects will be issued by the Infrastructure Grants Project Management (IGPM) Team. This team manage the delivery of HIF projects. The services required (see below) are similar to the due-diligence required on new projects under BIL however, the focus is on providing assurance on scheme delivery, identifying and mitigating projects risks etc.

Box 2 – HIF Funding

The HIF Marginal Viability Fund and Forward Fund programmes were launched in 2017. There are currently circa 120 live projects currently management by the IGPM Team. The objectives of HIF is to:

- Deliver new physical infrastructure to support new and existing communities;
- Make more land available for housing in high demand areas, resulting in new additional homes, that otherwise would not have been built;
- Support ambitious local authorities who want to step up their plans for growth and make a meaningful difference to overall housing supply; and
- Enable local authorities to recycle the funding for other infrastructure schemes, achieving more and delivering new homes in the future.

- 2.7 In terms of timescales, the infrastructure under HIF must typically be delivered over the next 10 years and BIL funded infrastructure must be contracted by March 2026 and the majority of funding spent by this date. There is the potential for other funding streams to become available during the same timescales, although further details are not known at this stage. The recent launch of the BIL Programme and tight delivery timeframe means we need to complete technical assessment of potential schemes in a short, focussed period.
- 2.8 To give projects the best chance of meeting the funding deadlines, we want to appoint consultants to carry out real estate, property and technical due diligence on a 'direct award' basis rather than through the normal mini competition process for every individual project. This commission is to select up to **four** Framework suppliers (plus three in reserve) who are best able to:
- Demonstrate understanding of Homes England's funding technical due diligence (TDD) requirements and have experience of delivering TDD services for programmes similar to HIF and BIL funding. Identified opportunities need to be tested through appropriate technical due diligence to ensure they are suitable for intervention and are deliverable. The business case (based on HMT Green Book principles) for funding for each Project, will need to identify the main constraints to development, demonstrate VfM via an acceptable Benefit Cost Ratio (BCR), identify the funding requirements and that the 'recommended option' (infrastructure funding) will result in a deliverable project within the grant availability period.
 - Demonstrate robust project management processes to meet our requirements and appropriate commitment of Director/Partner level oversight to the workstream
 - Deliver all the real estate and property services required for funding due diligence – see section 4 below
 - Support Homes England's tailored negotiations with Local Authorities and Partners¹, on funding conditions, approaches to grant recovery, delivery monitoring etc.
 - Provide real estate advice on project deliverability
 - React without delay to requests for support and deliver the required outputs within tight timescales
- 2.9 Following the EoI stage this ITT has been issued to the 13 Framework Suppliers who confirmed their interest in the commission.

3. Objectives

- 3.2. Homes England intends to procure four Property Framework suppliers (and a further three in reserve), to be appointed as a Services Team (hereafter referred to as 'Preferred Suppliers'). Following appointment Preferred Suppliers will be appointed via 'Direct Appointments' to undertake project Technical Due Diligence (TDD) as required for projects – both pre and post contracting a funding agreement. The exact scope or services required per Project will be detailed prior to each appointment.

¹ Partners may include private sector partners.

The Housing and Regeneration Agency

- 3.3. Prior to Direct Appointment the selected supplier will be asked to confirm there are no conflicts of interest in acting for us on the Project and to confirm a fixed price and provide a resourcing schedule. Most property TDD services required under the BIL and HIF Programmes over the next five years will be procured via Direct Appointments under this commission. .
- 3.4. Following supplier feedback at EoI stage, we have decided that the allocation of work to Preferred Suppliers will be an equal split (25%) of project work (by value) between all four selected suppliers. This is rather than the complicated split of work based on ranking of supplier's 'Most Economically Advantageous Tender' (MEAT) scores suggested at EOI stage. Work allocation is described in more detail in Section 8 below. The value of Directly Appointed work will be monitored throughout the life of the commission. As far as reasonably practicable, the total value of work awarded to each supplier will be equal, both annually and over the life of the commission. An estimate of the overall commission value over the term is provided below. However, no form of exclusivity or volume guarantee of work is given by Homes England and Homes England is at all times entitled to enter into other contracts and arrangements with other suppliers for the provision of any or all services which are the same as or similar to the Services.
- 3.5. A further three (3) Suppliers will be commissioned as 'Reserves'. These may be called upon in order of their ranked MEAT score, in the event that any of the Preferred Suppliers withdraw from the commission or is withdrawn by Homes England as a result of poor performance or due to no longer being a Framework Supplier.
- 3.6. The procurement timetable is summarised in section 6 (Programme) below.
- 3.7. Suppliers are reminded that it is not mandatory to tender for any commission, including this one, if they do not want to. Not tendering will not impact any other commission Homes England may undertake. However, as always, if you chose not to tender, Homes England is interested in understanding your reasons and would welcome honest feedback via the E-Tendering System.
- 3.8. The commission will last for 3 years with an option to extend this for a further two years, subject to Homes England's discretion. If the arrangement is working well we would expect it to continue for the further two years to 2028. However, at any point the commission is subject to early termination arising from a change in government policy, change in working arrangements for programmes, lack of transactions and/or future pipeline or any other grounds which Homes England may consider reasonable at its sole discretion. Early termination would be subject to 1 months' notice.
- 3.9. Suppliers should note that we are running a similar further competition with suppliers on our Development and Regeneration Technical Services (DARTS) Framework. This competition is to select four DARTS suppliers for a similar services team who will deliver infrastructure engineering, design and cost services required for Infrastructure projects. Whilst there is some overlap between the Framework Scope of Services for the Property and DARTS Frameworks, the table below provides a general guide to the split of work between the Property and DARTS Call-Off arrangements. A more detailed description of the scope of Property Services required is set out in section 3 below.

Property Call-Off – general guide to Call-Off Project requirements	DARTS Call-Off – general guide to Call-Off Project requirements
<ul style="list-style-type: none"> • Housing development viability review and appraisal • Housing delivery assurance • Recovery strategies • Market intelligence and reporting • Sector intelligence (BTR, affordable housing, land market, commercial property etc.) • Property and housing planning risk assessments 	<ul style="list-style-type: none"> • Infrastructure design review • Infrastructure cost estimate and assurance • Planning and infrastructure risk assessment • Quantitative Risk Assessment • Infrastructure Programme assessment

3.10 It is difficult to provide certainty on the overall commission value for this work as the exact number of Projects is unknown. In order to support your decision on whether to bid we have provided some details on the project work pipeline below:

3.11 There are currently 120 live (contracted) HIF projects. Each year we estimate that Property TDD services are required on approximately 4-8 projects per annum. This work can range from straightforward assurance on housing development site viability and site delivery to complex grant recovery negotiations based on land value capture from multiple housing sites. There are currently 20-25 projects identified as potential BIL projects. New projects are likely to be identified over the next 12-18 months as local authorities (and housing developers) become more aware of potential for funding support. Whilst not all of these will require **Property TDD** services we estimate that about 10 projects per annum will do so. Between the two teams, we estimate the value of the TDD Property work required can be up to c. £350,000 per annum or c. £1.75m over the five year life of the commission. (This excludes the value of TDD services which will be procured from the DARTS call-off procurement.)

3.12 Work will be allocated as described in Section 5, below between the Preferred Suppliers where possible. (see Post-Award allocation of specific Project Work in section 5).

3.13 All eligible tenders submitted on time and ONLY via the process outlined in Submission Instructions (see Part 2) will be assessed.

4 The Services

4.1 BIL, HIF and Infrastructure Funding Technical Due Diligence (TDD) Services

4.2 As outlined above, the focus of BIL and HIF project due diligence is the evidence required for a 'Green Book' business case to demonstrate the need for, cost of, and deliverability of both the infrastructure (the subject of the funding bid), and the housing which would otherwise be undevelopable. Property TDD will support the Infrastructure Grants Teams and our inhouse economists in assessing evidence of market failure (see Annex A), the total 'public sector cost' i.e.

minimum funding required to unlock the project, and the economic valuation of 'public benefits' arising from the project e.g. valuation of land value uplift, wider benefits etc.

4.3 As a guide, the infrastructure required to unlock housing can include any one or combination of the following:

- Highways – junctions, relief roads, spine roads, upgrades to the Strategic/Local Majors or local road networks etc
- Over/underbridges
- Land remediation, site clearance/preparation and/or ground works
- Utilities and services upgrades and site servicing/reinforcement
- Flood mitigation
- Green, blue and grey infrastructure
- Public realm
- Support for essential public infrastructure such as schools, community buildings etc
- Associated land acquisition for infrastructure provision

4.4 The TDD services required include real estate advice, planning, development viability, cost, programme, and project management advice and services for pre and post contract Projects. For each Project the supplier is likely to be asked to liaise with the Local Authority (upper and/or lower tier authorities as required) or Partner and the LA/ Partner's consultant team, where needed. Suppliers may need to review, and where necessary, challenge the advice, methodology, assumptions, process and programme, to establish the suitability of the project for grant funding and deliverability.

4.5 The following is not an exhaustive list of Property TDD services required but gives some idea of the 'menu' which Homes England's Project Management and Transaction Managers are likely to draw from. The requirements will vary depending on the circumstances of each project and level of TDD already carried out e.g. by the LA or site promoters etc.

4.6 Planning and Development

- Carry out a 'desk-top' review of key project information including background documents such as adopted and emerging local and national planning policy, guidance and evidence base, planning history, SPDs, IDPs, planning application reports and supporting documents (e.g. including but not limited to design plans, masterplans and Transport Assessments), key stakeholder consultation responses, local authority AMRs, S106 Agreements, general arrangement plans (infrastructure designs), cost plans, risk register, project appraisals and cashflows, project governance and delivery programme etc.
- Review of planning proposals for both housing sites and funded infrastructure – provide detailed assessment on appropriate assumptions most likely market facing proposals etc, deliverability, programme, policy, planning and legal risks for both etc.
- Provision of housing market reports at a regional, sub-regional and local market level, - as appropriate to the scale and impact of the Project. Market research and reporting should include

demand and supply information on all housing tenures, developer appetite and knowledge of relevant (local) land transactions.

- Provision of development viability appraisal for single and multi-site projects using standard appraisal software such as Argus or bespoke Excel DCF (in a non-hardcoded format) based on RICS best practice, including IRRs and profit on cost/GDV by phases and providing appropriate sensitivity analysis reflecting different market/development assumptions (costs and revenues), housing trajectories etc.

4.7 Cost Appraisal

- Review and assess all cost aspects of development site appraisals, in particular modelling the impact of the timing and programme of infrastructure spend and the effect of capital and revenue expenditure, project cost estimates, cost plans, contingency levels, inflation allowances, float cost calculation methodology and cash-flow projections. Including:
 - Comment and advise on any technical Due Diligence reports provided by the Client to assess cost risks and opportunities prior to any intervention, funding or support.
 - Review and report on the development appraisals, abnormal costs, and other costs prepared by others and advise or challenge as appropriate. Outputs will inform Homes England's approach to monitoring and implementation of contractual funding arrangements.
 - Challenge whether current costs and programme estimates are realistic, whether costs are likely to increase, whether a suitable level of risk and contingency has been provided for, whether deliverability and buildability have been appropriately considered.
 - Research and report on financial and other data drawn from market sources on a national, regional and local basis, with reference to the proposed infrastructure works.
 - Based on the housing market report, viability appraisals and cost information etc. advise on whether there is a market failure (see definitions in Annex A) which justifies intervention by Homes England.
 - Set out rationale and methodology used, including details of information sources, base date, assumptions and exclusions, aggregate breakdown of costs, key risks and opportunities. Include your internal quality review and checking process, conclusion, and recommendation on next steps.

4.8 Project and Programme Management

- Engage with the LA and/or house builders/promotors and their respective consultant teams to challenge design proposals, project programmes/delivery, risk registers, grant recovery strategies etc.
- Analysis of project programme including programme logic, technical buildability, work package interfaces, lead-in times and allowances for float and client input.
- Provide a question sheet setting out all queries to be responded to by the grant applicant in respect of the infrastructure requirement of the project. Critically appraise the responses and where necessary enter a debate designed to identify the best outcome and solution to deliver the project subject to the expected requirements of grant funding.

- Provide options analysis and recommendations to Homes England on how the project should continue.
- Review and comment on the latest Risk Register for the project and identify other potential risks or opportunities.
- Advise on the suitability of the proposed procurement and/or land disposal strategy within the context of delivery within the parameters of the Programme.

Such work will be scoped to provide the necessary due diligence needed to advise Homes England whether the project can be delivered as proposed.

5 Post-Award allocation of specific Project Work

- 5.1 As with any further competition under the Framework, Preferred Suppliers will be selected based on their ranked score for both Quality (70%) and Price (30%) submissions (see Parts 2-3). The **four** suppliers (along with three reserve suppliers) who submit the 'Most Economically Advantageous Tenders' (MEAT) will be selected. Thereafter, Direct Appointments for individual project TDD work will be issued to suppliers in rotation and to achieve an overall equal split of work allocation (by value) both annually and over the life of the commission.
- 5.2 We will continually monitor the allocation of work via Direct Appointments over the life of the commission. A 'taxi rank' system will operate for the allocation of work: In respect of the first Direct Appointment, the Agency will invite the supplier ranked first on the list (highest MEAT score) to provide the Services subject to the terms of the Contract and outcome of a conflicts check. In respect of the second Instruction, the Agency shall invite the contractor ranked second on the list to provide the Services, and so on.
- 5.3 Once the Agency has invited each Preferred Supplier to provide project specific services the Agency shall repeat the process in such a way as to achieve (as far as is practicable) an equal split. For example, the table below illustrates the allocation of work after the first four Direct Appointments have been awarded. At this point, as Supplier B is the supplier with the greatest difference between fees awarded to-date below the target percentage, subject to a satisfactory conflict check, Supplier B will be allocated the next available Direct Appointment. Following this appointment the percentage of Direct Appointments will be recalculated for each supplier and the next project Direct Appointment will be allocated reflecting the latest position.

12

Supplier	Target Percentage of Direct Appointment by value	Position after Four Direct Appointments		
		Value of Direct Appointments to-date	% of Direct Appointments to-date	% Difference <u>below</u> Target Percentage
Supplier A	25%	£35,000	29%	-
Supplier B	25%	£20,000	17%	8%
Supplier C	25%	£42,500	35%	-
Supplier D	25%	£22,500	19%	6%
		£120,000.00		

- 5.4 If a supplier is unable or unwilling to provide the Services when requested, the Agency shall ask the next ranked supplier to provide the Services until a supplier accepts the Instruction. In an urgent situation which requires an immediate response, the Agency will select the next Preferred Supplier who has the capacity to accept the Instruction and provide the Services.
- 5.5 As well as a check for any conflicts the next available supplier will need to confirm capacity to deliver the work, confirm the Fixed Price and agree a resourcing schedule for the specific Project work required (see 5.10 below). Subject to this, a works order would be issued via a TMS instruction in the normal way.
- 5.6 Whilst the 'taxi rank' will be the primary way Direct Appointments will be awarded, should there be multiple projects requiring TDD services around the same time, or where consultants have had prior involvement in a particular project, we may also allocate work reflecting the following criteria.
- Experience of working on a specific project or type of infrastructure development and the ability to bring strategic knowledge
 - Understanding of the Project(s) based upon previous studies/issues within this commission of projects of a similar nature.
 - Potential 'benefits of scale' and consistency reasons (e.g. a tranche of sites in one LA area etc.).
 - Conflicts of interest.
 - Supplier capacity and resourcing
 - Anything else pertinent.
- 5.7 All appointments are subject to performance monitoring. Poor performance could result in termination of Direct Appointments (see Section 7.5) and potentially deselection as a Preferred Supplier.
- 5.8 Award of a Direct Appointment will follow a set process as set out below:
- 5.9 Prior to contacting any of the Preferred Suppliers the individual Homes England Project Manager (PM) requiring TDD services will check the status of the 'taxi rank' with the Homes England Project Lead for the commission (section 7 below). The PM will then issue the following to the next available supplier:
- a written Project Brief setting out the background and key deliverables and confirming which of the Fixed Price Project Work description(s) - see paragraph 21.4 below – best fits the project and meets the requirements,
 - an estimate of the technical staffing requirement expected i.e. likely seniority of consultant expertise required such as valuer, development consultancy, planning or project manager etc
 - a summary of the delivery and programme requirements
- 5.10 Subject to confirmation of a conflicts check, the supplier will respond with the following:
- Confirmation that the Fixed Price fee meets all Project requirements and key deliverables
 - Provide a Project specific Resourcing Schedule with an explanation of the proposed allocation of resources, highlighting any technical expertise or unknowns which could affect delivery, programme, cost etc

- a Project Programme with timescales for meetings, delivery of output reports etc.

- 5.11 The fees proposed per Direct Appointment will reflect the Fixed Price Project Work Schedule proposed at Tender stage, based on the description of the work required and the skill and experience level of the staff proposed. **We expect the majority of Direct Appointments to fall within the Fixed Price Project Work Schedule, albeit reflecting any reduction or increase in the scope of work required (as defined in the Fixed Price Project Work Schedule – see the “What’s Included in the Fixed Fee” worksheet).** Fees for Project Work on a time charge basis using the Daily Rate Schedule will only be agreed by exception, in cases where bespoke work requirements do not align with any of the Fixed Fee Project descriptions. Only when all of the above details are provided and accepted will an individual TMS instruction be issued for the Direct Appointment.
- 5.12 Direct Appointments may be instructed for a Project or Projects from a variety of individuals/teams from within Homes England. However, it will be clear that the work is under this commission via reference to the **‘BIL, HIF and Infrastructure Funding Due Diligence Services (Property Framework)’** .
- 5.13 If any Reserve is called-up at a later date as a new Direct Appointment, they will be allocated Projects slowly to begin with so that they can get used to the requirements of Homes England. In terms of managing the ‘Taxi Rank’ the value of work allocated will be rebased from this point and the value of work allocated to each of the Preferred Suppliers will be monitored as before.

6. Key Deliverables

- 6.1 The key deliverables from this commission will be specific to each Direct Appointment and subsequent instructions for each Project. In most instances a senior level project review will be required following which a Project specific report (“Project Report”) focussing on the TDD services required.
- 6.2 The required Project Report(s), and/or professional written and verbal advice is to be based on the findings of the activities identified in Section 3 above and may include suggested improvements or efficiencies to be adopted by the project team. The detailed contents of the Project Report, and/or professional written and verbal advice will be different for each project depending upon the scope of the required due diligence. The scope will be communicated to the chosen consultant at the start of each project and discussed, if necessary, to ensure that Homes England’s needs are clear prior to the work commencing.

7. Site Information

- 7.1 This information will be provided for each specific Project requiring TDD services.

8. Indicative Programme

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

The following information relates to this Further Competition:

Key Delivery Milestones	Anticipated Date
Commencement Date: EoI issued	2/8/2023
EoI Return	11/8/2023
ITT Issued	18/8/2023
Tender Closing Date	29/9/2023
Tender Assessment Completed	13/10/2023
Notification	16/10/2023
10-day standstill letters issued	26/10/2023
Appointments Issued	26/10/2023

Programme requirements relating to each commission will be issued with each instruction.

9. Management

- 9.1 This commission is issued by Homes England's Infrastructure Funding Team. The Project will be led by the Head of Infrastructure Grants (Transacting), reporting to the Director of Infrastructure Funding.
- 9.2 **Prior to appointment all queries regarding this commission must be referred to Homes England via Pro Contract – no contact should be made directly with the named Homes England manager until after appointment.**
- 9.3 Throughout the life of the commission, each supplier within the Services Team is required to attend a bi-annual Review Meeting to discuss the operation of Direct Appointments and raise any learning or improvements identified. This suppliers bi-annual Update Report will be issued to the above named Homes England's Project Lead and is separate to the requirements for individual project meetings set out below.

10. Meeting Requirements:

- 10.1 Homes England will put in place various aspects to manage the commission. Meetings outlined below are expected to be via Microsoft Teams to reduce travel time and emissions. These will include:
- 10.2 **Individual Introductory Meetings** will be set up at the start of the commission for all Preferred Suppliers to meet with various key staff from both Homes England. It is intended that this will occur before any Projects are commissioned, but certainly before any reporting is required.

- 10.3 **Six-month Review Meeting.** After the first few Projects have been considered, a first individual Review Meeting will be convened with all Preferred Suppliers to discuss how both parties have found the process. This can be used to discuss a wide range of issues and is, therefore, there for both parties to learn from each other to make the process easier and reporting outputs better. This can consider anything relevant, but is likely to consider instructions of sites, timescales, liaison, management, etc. Recommendations from the Preferred Supplier and/or Homes England are welcome.
- 10.4 **12-Month Review Meeting.** If required, either Homes England or any Direct Appointment can request another meeting to discuss anything pertinent.
- 10.5 **Regular Review Meetings.** When the commission has matured, individual Review Meetings are proposed to be approximately every 6 months. These meetings are there for both parties to discuss anything in a free and transparent manner to ensure both are getting the most from the commission.
- 10.6 **Poor Performance Meeting.** These meetings will hopefully not be required. However, if poor performance is repeated, Homes England may call for one. Beforehand, Homes England will present areas of concern so that the Preferred 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 Preferred Supplier subject to such a meeting would be expected to outline in writing afterwards what improvements/modifications they will be putting in place. There will be a maximum of two Poor Performance Meetings before termination of the Preferred Supplier.
- 10.7 Regular liaison with instructing Homes England Project and Transaction Managers (PMs and TMs) as well as meetings when any Project TDD is commissioned will be required in addition to the above.
- 10.8 If any Reserve is called-up later, Homes England will ensure that the Introductory Meeting covers any areas of change or elements that have been difficult for either Homes England or any other Preferred Supplier. This should ensure that the Reserve comes up to speed quickly and can successfully work on projects.

11. Key staff

- 11.1 Homes England requires consistency of approach and reporting for all sites considered by Direct Appointment. Delivery of all subsequent instructions must be managed by a named national lead contact (Director Level) with named technical leads appropriate for each Project e.g. planning, property, infrastructure cost etc.
- 11.2 Suppliers should detail the staff involved in resourcing each of the activities when pricing each area of the Commission – e.g. Director, Valuer, QS etc. and provide CVs

12. Risks

- 12.1 There are no known risks associated with the commission. Risks associated with any project e.g. specific site risks where known will be identified as part of any brief at the Direct Appointment stage.

13. Payment

13.1 If required, interim payments can be made on completion of the each of the items/reports required, otherwise payment will be made on completion of the commission arising under each separate Direct Appointment.

14. Collateral Warranty

14.1 In exceptional circumstances a collateral warranty may be required.

15. Termination

15.1 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.

15.2 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.

16. Conflict of Interest

16.1 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.

16.2 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.

17. Confidentiality

17.1 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.

17.2 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.

18. Health and Safety (if applicable)

18.1 Homes England takes health and safety very seriously and expects all Suppliers to do the same. All Suppliers must adhere to the Health and Safety obligations in the Framework Contract and the following Homes England policies where applicable:

- Homes England Safety, Health and Environment Policy
- Homes England Asbestos Policy
- Homes England CDM Policy

Part 2 - Instructions for Submitting a Response

19. General

- 19.1 The Further Competition deadline is 17.00 on 29th September 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.
- 19.2 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.
- 19.3 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.
- 19.4 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.
- 19.5 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.
- 19.6 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 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.
- 19.7 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.

- 19.8 Tender responses must be written in English.
- 19.9 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.
- 19.10 Homes England reserves the right to cancel this Further Competition process at any time.

20. Quality

- 20.1 A Response Form template has been provided in Part 3 to respond to the Quality questions detailed in paragraph 22 (Evaluation Criteria). The Response Form must be completed and returned as part of the tender response and carries 70% of the overall score.
- 20.2 Suppliers must provide information on proposed staff in the Response Form – which supports the Daily Rate Project Team Price Schedule (below). 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 Response Form which economic operator shall perform the Services (or parts thereof).

21. Pricing

- 21.1 The award of an overall Price score - 30% weighting - will be based on a combination of Fixed Prices for pre-defined work – as set out in the **Fixed Price Project Work Schedule** (see Fig 1 below and Part 3), and a '**Daily Rate**' **Pricing Schedule** for Infrastructure Grant Technical Due Diligence (TDD) Consultancy Services (Fig 2 below and Part 3), specific to this commission. Suppliers are reminded that day rates for all individuals must be the agreed Framework Contract rates unless discounted rates are offered. The Daily Rates must not exceed the Framework Rates.
- 21.2 The supplier prices from each Schedule will be given equal weight to form an overall tender price score which will carry 30% of the overall marks. Both Schedules must be completed and returned as part of the tender response.
- 21.3 Within the Fixed Price Project Work Schedule suppliers should provide a fixed price for each set piece of work described. The prices provided will be used in fixing the fee for similar work over the life of the commission. As stated previously, we expect the majority of Direct Appointments to be for work described in the Fixed Price Project Work Schedule, albeit reflecting any reduction or increase in the scope of work required (defined in the Fixed Price Project Work Schedule – see the "What's Included in the Fixed Fee" worksheet). **Pricing future project work using the Daily Rates Schedule will be the exception and used when there is specific work which can only be priced on a time charge basis. Where more than one piece of fixed fee work is required on a project it is expected that the selected consultant will review the fee at the time of appointment to reflect efficiencies.**
- 21.4 Suppliers Pricing schedules should reflect the Framework Contract terms – as set out in Schedule 2, in particular Clause 11 repeated here for ease of reference:

The Housing and Regeneration Agency

“The hourly charge out rate set out in Part 3 of Schedule 2 and any expenses or disbursementsshall be reviewed annually by Homes England and will be increased at the absolute discretion of Homes England having regard to the annual Retail Price Index.”

21.5 The Fixed Price Project Work Schedule is copied below for ease of reference along with description of the work required under each of the categories of Fixed Price work.

The Housing and Regeneration Agency

Fixed Price Project Work Pricing Schedule (15% total marks)

1. In the green boxes below please provide daily rates for the 5 different grades of staff defined. (Please do not adjust the percentages or formulae in the spreadsheet)
2. Within the evaluation, the weightings detailed below will be applied to the day rates provided to represent typical usage.
3. The rates provided should be the maximum rates that you would apply.
4. Rates will be used as maximum rates for any work procured through the commission on a time charge basis. For longer term Direct Appointments we expect rates to be lower than your standard daily rate
5. Rates provided will also be used for reference in any lump sum bids prepared by Suppliers and should be used as a maximum to build up resource plans.
6. Hourly rates will be calculated as a fraction of the standard daily rate. 1 hour will be 1/8 of the standard daily rate

A	B	C	D	E	Name of consultant (if known)	Name of consultant (if known)	Name of consultant (if known)	F	G	
Ref. No	Description of work	Banding / Project Category	Band Weighting	Price (£) - supplier to complete	Insert Grade / Job Title	Insert day rate	Insert day rate	Insert day rate	Total Hours	Weighted Price (E x D x 25%)
1	Market Intelligence Report (3.75%) Provide a Market report which assesses the deliverability of the proposed housing covering market appetite of both national and SME developers and homes buyers. To include sub-regional, regional and national level assessment for all proposed land uses by relevant Band, and as appropriate to the scale and impact of the Project.	Band 1 - Private and affordable tenures only	25%		Supplier to insert hours allocated	Supplier to insert hours allocated	Supplier to insert hours allocated	0	0	
		Band 2 - Private and affordable tenures -BTR	25%		Supplier to insert hours allocated	Supplier to insert hours allocated	Supplier to insert hours allocated	0	0	
		Band 3 - Private and affordable tenures - Commercial Uses	25%		Supplier to insert hours allocated	Supplier to insert hours allocated	Supplier to insert hours allocated	0	0	

The Housing and Regeneration Agency

		Band 4 - Private and affordable tenures - BTR - Commercial uses	25%		<i>Supplier to insert hours allocated</i>	<i>Supplier to insert hours allocated</i>	<i>Supplier to insert hours allocated</i>	0	0
2	Project Risk & delivery Review Report (3.75%) This is a 'deep dive' into a proposed or current infrastructure and housing project to identify key delivery and project risks and to determine whether the Project will meet BIL/HIF programme and expenditure requirements. The work required covers two Phases: Phase 1 - Project Review and identification of risks, Phase 2 - Reporting and recommendations on risk mitigation.	Band 1 - straightforward small scheme (100-400 units), single site and maximum of 2 phases.	25%		<i>Supplier to insert hours allocated</i>	<i>Supplier to insert hours allocated</i>	<i>Supplier to insert hours allocated</i>	0	0
		Band 2- medium sized scheme (500-1,500 units) with multiple sites and/or phases and extensive supporting infrastructure	40%		<i>Supplier to insert hours allocated</i>	<i>Supplier to insert hours allocated</i>	<i>Supplier to insert hours allocated</i>	0	0
		Band 3 - highly complex. large schemes (2,000+ units) with multiple sites and phases and multiple landowners/stakeholders. Requiring extensive infrastructure	35%		<i>Supplier to insert hours allocated</i>	<i>Supplier to insert hours allocated</i>	<i>Supplier to insert hours allocated</i>	0	0
3	Cost appraisal (3.75%) Carry out a review and critical assessment of all costs relating to the Project for both the housing development ('unlocked homes'), all supporting infrastructure and with a detailed focus on the BIL/HIF funded infrastructure.	Band 1 - straightforward small scheme (100-400 units) with a single site and maximum of 2 phases	25%		<i>Supplier to insert hours allocated</i>	<i>Supplier to insert hours allocated</i>	<i>Supplier to insert hours allocated</i>	0	0
		Band 2 - medium sized scheme (500-1,500 units) with multiple sites and/or phases	40%		<i>Supplier to insert hours allocated</i>	<i>Supplier to insert hours allocated</i>	<i>Supplier to insert hours allocated</i>	0	0
		Band 3 - highly complex large schemes (2,000+ units) with multiple sites and phases and multiple landowners/stakeholders	35%		<i>Supplier to insert hours allocated</i>	<i>Supplier to insert hours allocated</i>	<i>Supplier to insert hours allocated</i>	0	0
4	Development Appraisal/ Cashflow review (3.75%) Review of applicants supporting Development Appraisal/ Cashflow. To include commentary on key appraisal inputs and assumptions and	Band 1 - straightforward small scheme (100-400 units) with a single site and maximum of 2 phases	25%		<i>Supplier to insert hours allocated</i>	<i>Supplier to insert hours allocated</i>	<i>Supplier to insert hours allocated</i>	0	0

The Housing and Regeneration Agency

<p>sensitivity testing. Shadow appraisals should be used where sensitivity testing is required outside of the applicants' appraisals. For pricing it should be assumed that a simple shadow appraisal will be required for each banding.</p>	<p>Band 2 - medium sized scheme (500-1,500 units) with multiple sites and/or phases</p>	40%		<i>Supplier to insert hours allocated</i>	<i>Supplier to insert hours allocated</i>	<i>Supplier to insert hours allocated</i>	0	0
	<p>Band 3 - highly complex large scheme (2,000+ units) with multiple sites and phases and multiple landowners/stakeholders and complex infrastructure requirements</p>	35%		<i>Supplier to insert hours allocated</i>	<i>Supplier to insert hours allocated</i>	<i>Supplier to insert hours allocated</i>	0	0

Fig 1 – Fixed Fee Project work Schedule

Fixed Fee work description (see the “What’s required in the Fixed Fee” worksheet)

Ref. No	Description of work	Requirements
1	<p>Market Intelligence Report (3.75%) Provide a Market report which assesses the deliverability of the proposed housing covering market appetite of both national and SME developers and homes buyers. To include sub-regional, regional and national level assessment for all proposed land uses by relevant 'Project Banding', and as appropriate to the scale and impact of the Project.</p>	<p>Phase 1 - Due diligence - Review of supporting information in relation to the Project. Consultants should assume Phase 1 includes a review of the applicant’s supporting reports and evidence, where available, which may include but not be limited to, the following:</p> <ul style="list-style-type: none"> • Masterplans and/or detailed (RM) plans • Design code(s) • Planning committee report(s) • S106 agreement(s) • Infrastructure Delivery Plan(s) • Local Authority Monitoring Report • Developer programme(s) or LPAs housing delivery forecast • National, regional and local transaction information/reporting <p>Phase 2 - Reporting The Consultant's Market Intelligence Report should summarise the project in the context of the above due diligence and provide evidence based and justified opinions on the deliverability of the proposed scheme including commentary on:</p> <ul style="list-style-type: none"> • Housing demand and supply information (price and projected sales rates) • Specific tenure demand and supply issues e.g. BTR, affordable • Land supply and local planning considerations • National housebuilders and local SME developer appetite for the location, • Recent and relevant land deals/transactions etc. • Commentary on any existing market report for the project provided by the applicant. • Commentary on the proposed housing delivery programme.
2	<p>Project Risk & delivery Review Report (3.75%) This is a 'deep dive' into a proposed or current infrastructure and housing project to identify key delivery and project risks and to determine whether the Project will meet BIL/HIF programme and expenditure requirements. The work required covers two Phases: Phase 1 - Project Review and identification of risks, Phase 2 - Reporting and recommendations on risk mitigation.</p>	<p>Phase 1 - Due diligence - Review of supporting relevant project information. Consultants should assume Phase 1 includes a review of the applicants relevant supporting reports and evidence, which may include but not be limited to, the following:</p> <ul style="list-style-type: none"> • Infrastructure design/GA plans/proposals, site wide masterplans and/or detailed (RM) plans • Design code(s), where relevant • Planning committee report(s) for both infrastructure works and housing • Transport Statements/Assessment, EIAs and relevant supporting planning documents • Relevant SPDs • S106 agreement(s) • Infrastructure Delivery Plan(s) • Developer's and/or Infrastructure contractor's Risk Register • Developer/Infrastructure contractor programme(s) and cashflow forecast • Project Governance Strategy • The Consultant should assume a number of meetings will be required with the Local Authority and their consultant team as part of Phase 1. <p>Phase 2 - Reporting The Consultant's Project Risk and Delivery Review Report should summarise the project in the context of the above literature and evidence review and provide evidence based and justified opinions on the deliverability of both the funded infrastructure and housing 'unlocked'. The report should</p>

The Housing and Regeneration Agency

Ref. No	Description of work	Requirements
		<p>comment and suggest appropriate mitigation strategies where appropriate to include the following :</p> <ul style="list-style-type: none"> • Key project risks and appropriate mitigation strategies • Whether the BIL/HIF Programme requirements can be met • Realistic grant funding spend profile • Realistic delivery programme • Proposals for, or critique of, Grant Recovery
3	<p>Cost appraisal (3.75%) Carry out a review and critical assessment of all costs relating to the Project for both the housing development ('unlocked homes'), all supporting infrastructure and with a detailed focus on the BIL/HIF funded infrastructure.</p>	<p>Phase 1 - Due diligence - Review of supporting project information. Consultants should assume Phase 1 includes a review of the applicant's relevant supporting reports and evidence. This may include but not be limited to, the following:</p> <ul style="list-style-type: none"> • Infrastructure design/GA plans/proposals, site wide masterplans and/or detailed (RM) plans • Design code(s), where relevant • Planning committee report(s) for both infrastructure works and housing • CIL Charging Schedule • S106 agreement(s) • Infrastructure Delivery Plan(s) • Developer/Infrastructure contractor programme(s) and cashflow forecast • Developer's or LPA's viability appraisals • Project cost estimates including contingency levels, inflation allowances, float cost calculation methodology and cash flow projections. <p>The Consultant should assume a number of meetings will be required with the Local Authority and their consultant team as part of Phase 1.</p> <p>Phase 2 - Reporting The Consultant's Cost Appraisal Report should summarise all actual and anticipated Project costs including for the housing development and all supporting infrastructure, with a focus on the grant funded infrastructure. The report should provide an evidence based and justified opinion on:</p> <ul style="list-style-type: none"> • Anticipated Project and infrastructure cost risks and opportunities • Review and report on the development appraisals • abnormal and other costs produced by others • Whether the assumptions in the model are realistic and reflective of the current market • Assumed absorption rates (taking account of other proposed developments) • Existing use values, Benchmark Land Values and resultant RLVs – are these realistic and reflective of recent market transactions; • Whether any placemaking uplifts applied are appropriate; • Any sensitivity analysis provided <p>Assess whether current costs and programme estimates are realistic using financial and other data drawn from market sources on a national, regional and local basis. Identify whether costs are likely to increase and if a suitable level of risk and contingency has been provided for and if deliverability and buildability have been appropriately considered.</p>
4	<p>Development Appraisal/ Cashflow review (3.75%) Review of applicants supporting Development Appraisal/ Cashflow. To include commentary on key appraisal inputs and assumptions and sensitivity testing. Shadow appraisals should be</p>	<p>Phase 1 Review of the applicants supporting Development Appraisal/ Cashflow. To include a review of key appraisal inputs, phasing assumptions, absorption rates etc. Sensitivity analysis should be undertaken on the assumptions to test the funding need. Shadow appraisals may be required for sensitivity analysis if the use of the applicant's model is not feasible. For pricing it</p>

Ref. No	Description of work	Requirements
	used where sensitivity testing is required outside of the applicants' appraisals. For pricing it should be assumed that a simple shadow appraisal will be required for each banding.	<p>should be assumed that a simple shadow appraisal will be required for each banding.</p> <p>Phase 2 Provision of supporting commentary in the form of a report on the appraisal assumptions, sensitivity analysis, funding need and project deliverability. The output report should comment on the residual land value determined or land value input adopted by the grant applicant and also comment on the likely recovery of grant via land value/developer contributions etc.</p>

21.6 The Daily Rate Price Schedule reflects the original Framework Pricing structure provided as part of the Framework competition. Suppliers should state their maximum daily rate for each level of consultancy staff required to carry out TDD work under this commission. This will be used to generate a notional total daily cost of a hypothetical consultant project team.

21.7 The Daily Rate Project Team Price and the Fixed Price Project Work Schedule will be used to award a Price score as set out in Section 6 (Tender Evaluation).

Infrastructure Grants - Property TDD Services - General Service Type	Partner/Director (Substantial experience of at least 10 years) (10%)	Senior Associate (At least 7 years experience) (20%)	Associate (At least 5 years experience) (35%)	Senior Surveyor (Minimum of 3 years experience) (25%)	Surveyor (At least 1 year experience) (10%)	Total Adjusted Rate for each service line	Estimated utilisation for each services line through the Framework	Rate total for each service line
Staff resource allocated (as % of total) - Fixed	10%	20%	35%	25%	10%			
Red Book valuations / Development Viability reviews - Supplier day rates	0.00	0.00	0.00	0.00	0.00			
Daily Cost by Level of Staff Allocated	0.00	0.00	0.00	0.00	0.00	0.00	45%	0
Development consultancy services - Supplier day rates	0.00	0.00	0.00	0.00	0.00			
Daily Cost by Level of Staff Allocated	0.00	0.00	0.00	0.00	0.00	0.00	35%	0
Planning consultancy services - Supplier day rates	0.00	0.00	0.00	0.00	0.00			
Daily Cost by Level of Staff Allocated	0.00	0.00	0.00	0.00	0.00	0.00	20%	0
Total For Evaluation								-

Fig 2 – Daily Rate Pricing Schedule

22.1 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 24 (Evaluation Criteria) below and the scoring approach is detailed in Section 25 (Worked Example). Scores will be rounded to two decimal places.

22.2 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.

22.3 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.

23 Documents to be Returned

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

- Completed Response Form
- Completed Fixed Price Project Work Schedule
- Completed 'Daily Rate' Pricing Schedule
- Supporting CV's for staff proposed to undertake this commission (no more than 2 pages each)

27

24 EVALUATION CRITERIA

Quality Evaluation

Quality will account for 70% 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.

	Criteria	Response requirements	Weighting
1	<p>Understanding of the services and technical expertise required</p> <p>PAGE LIMIT: Maximum 4 X A4 pages, 11-point Corbel font</p>	<ul style="list-style-type: none"> Outline the method and approach to undertaking the commission. Please describe how the Services and Key Deliverables will be met. Demonstrate an understanding of the services, skills and market knowledge required. Explain how you will deliver a timely, high quality and consistent response to project requirements. Outline your approach to meeting tight delivery timescales. Where relevant identify areas of innovation and/or added value e.g. specific sector expertise or engagement in leading sector research which could be applied to this commission. Provide any other commentary on the brief. Demonstrate the above through examples of relevant experience in delivering property advice across complex / large scale real estate and infrastructure projects requiring, or supported by, public sector funding 	30%
2	<p>Delivery of BIL and HIF projects within budget and funding deadlines are fundamental risks for the Agency.</p> <p>PAGE LIMIT: Maximum 2 X A4 pages, 11-point Corbel font</p>	<ul style="list-style-type: none"> Set out how would you investigate programme and spend risks on any BIL/HIF infrastructure funded project. What are the key lines of enquiry and how would you mitigate programme and spend risks? 	10%
3	<p>Staff and other Resources</p> <p>Describe who will deliver the Services and Key Deliverables.</p> <p>How will staff be selected to directly deliver commissions.</p>	<ul style="list-style-type: none"> Identify key staff who will undertake the commission and why have they been selected. Outline their skills and experience and regional coverage. The staff selected should demonstrate experience across private and public sector led housing and infrastructure projects from straightforward, single-phase to multi-phase and complex, mixed-use Regen sites etc. Explain how the level of seniority and staff time allocated in the 	15%

The Housing and Regeneration Agency

Criteria	Response requirements	Weighting
<p>What other tools and resources can be drawn on for this commission.</p> <p>PAGE LIMIT: Maximum 2 x A4 pages, 11-point Corbel font (plus 1 page organogram if required)</p> <p>PLUS a maximum of 1 X A4 page per CV for up to 10 staff maximum</p>	<p>Fixed Price Project Work Schedule was arrived at and will deliver quality outcomes.</p> <ul style="list-style-type: none"> • Provide CV's for key personnel. These should demonstrate experience relevant for the commission and provide examples of projects including the scale of project, what their role was, skills used and what impact they had. • Provide an organogram outlining how the staff and resources will be managed for the commission. • Provide a summary of tools and innovative resources you can draw from at local and regional levels which you consider will help deliver this commission. 	
<p>4 Management and Communication</p> <p>Explain how the commission will be managed, quality reviewed and assured and any weaknesses addressed</p> <p>PAGE LIMIT: Maximum 2 x A4 pages, 11-point Corbel font</p>	<ul style="list-style-type: none"> • Explains how the commission will be managed and who will be responsible for reporting to the Client • Demonstrates Partner/Director level oversight and robust QA arrangements • Where subcontracting arrangements are in place, explains who will manage the contract • Demonstrate the above through relevant examples, where applicable, outlining how they are relevant to the approach proposed 	15%

30

Price Evaluation

Price will account for 30% of the Overall Score. A suppliers Price score is calculated based of the Fixed Price Project Work Schedule (15%) and the Daily Rate Pricing Schedule (15%). The lowest priced Supplier of each Schedule will gain the maximum marks (20) with other Suppliers price score expressed as a proportion of the best score using the maths explained in the worked example below.

Criteria	Demonstrated by	Weighting
Fixed Price Project Work Prices	The Fixed Price Project Work Schedule includes 4 Property TDD activities, weighted by Band (Project scale and complexity)	15%
Daily Rate Pricing Schedule	The Daily Rate Pricing Schedule calculates a daily Project Team cost based on day-rates by professional grade/experience	15%

25 Worked Example

The Housing and Regeneration Agency

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	3	30%	6	18	41
	2	4	10%	2	8	
	3	3	15%	3	9	
	4	2	15%	3	6	
Supplier B	1	5	30%	6	30	59
	2	4	10%	2	8	
	3	4	15%	3	12	
	4	3	15%	3	9	
Supplier C	1	2	30%	6	12	n/a (fail)*
	2	1	10%	2	n/a	
	3	2	15%	3	6	
	4	2	15%	3	6	
Supplier D	1	4	30%	6	24	47
	2	4	10%	2	8	
	3	2	15%	3	6	
	4	3	15%	3	9	
Supplier E	1	3	30%	6	18	42
	2	3	10%	2	6	
	3	4	15%	3	12	
	4	2	15%	3	6	
Supplier F	1	4	30%	6	24	54
	2	3	10%	2	6	
	3	4	15%	3	12	
	4	4	15%	3	12	

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

The Housing and Regeneration Agency

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

Bidder	Fixed Price Project Work (15%)			Daily Rate Project Team Price (15%)			Total Price Score
	Suppliers (weighted) Price	Lowest price/ Supplier's price (as %)	Price Score (out of 15)	Suppliers (weighted) Price	Lowest price/ Supplier's price (as %)	Daily Rate Schedule Price Score (out of 15)	
Supplier A	8,488	100%	15.00	1,055	90%	13.51	28.51
Supplier B	10,324	82%	12.33	1,250	76%	11.40	23.73
Supplier C	9,650	88%	13.19	950	100%	15.00	28.19
Supplier D	12,350	69%	10.31	1,345	71%	10.59	20.90
Supplier E	11,245	75%	11.32	1,045	91%	13.64	24.96
Supplier F	9,654	88%	13.19	1,185	80%	12.01	25.21

Worked example of Overall Score and Ranking

Bidder	Total Quality Score	Price Score	Total Score	Ranked Position
Supplier A	41	28.51	69.51	3
Supplier B	59	23.73	82.73	1
Supplier C	n/a (fail)	37.59	n/a (fail)	n/a (fail)
Supplier D	47	20.90	67.90	4
Supplier E	42	24.96	66.96	5
Supplier F	54	25.21	79.21	2

32

Part 3

3.1 RESPONSE FORM

Framework:	[insert]
Project Title:	[insert]
ProContract Identification Number:	DN [insert]
Supplier:	[insert]
Date:	[insert]
<p>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.</p> <p>Please refer to the evaluation section for page limits for each question. Any text beyond this will be ignored and will not be evaluated.</p>	
<p>1. Understanding of the services and technical expertise required</p> <p>PAGE LIMIT: Maximum 4 X A4 pages, 11-point Corbel font</p>	
<p>2. Delivery of BIL and HIF projects within budget and funding deadlines are fundamental risks for the Agency</p> <p>PAGE LIMIT: Maximum 2 X A4 pages, 11-point Corbel font</p>	
<p>3. Staff and other Resources</p> <p>PAGE LIMIT: Maximum 2 x A4 pages, 11-point Corbel font (plus 1 page organogram if required)</p>	

<p>PLUS a maximum of 1 X A4 page per CV for up to 10 staff maximum</p>	
<p>4. Management and Communication</p> <p>PAGE LIMIT: Maximum 2 x A4 pages, 11-point Corbel font</p>	

3.2 RESOURCE AND PRICING SCHEDULE

See separate Excel spreadsheets (Fixed Price Project Work Schedule and Daily Rate Price Schedule) to be embedded by Supplier in response.

Annex A – Market Failure Definitions

Homes England and DLUHC have identified a range of market failures which are particularly relevant to our housing interventions. These market failures are no different to the standard ones identified within microeconomic theory and the HM Treasury Green Book. They are summarised in the table below.

Market Failure	Definition
Public good	A public good can be defined by two characteristics: firstly, it is difficult to exclude anyone from enjoying it (non-excludable in supply); and secondly, once provided, a person’s consumption of the good does not stop anyone else from consuming it (non-rival in demand). A public good will be both non-rival and non-excludable.
Externalities	Externalities arise when an activity results in benefits or costs to people other than those directly producing or consuming the good. A common example of a negative externality is pollution, where those causing the pollution do not bear the full costs. In contrast, an intervention to redevelop a derelict site to provide new housing is an example of a positive externality through the impact it can have on improving the amenity of the surrounding area.
Coordination failure	Coordination failure refers to when a socially desirable activity does not take place due to a failure to coordinate effectively between the different parties involved. For example, a development scheme may require agreement between multiple land owners but this is not possible in the absence of public sector intervention due to competing or incompatible objectives.
Market power	Market power results from insufficient competition to ensure a market operates efficiently. Sectors such as housebuilding have high barriers to entry and existing businesses may act strategically, through predatory pricing, taking options on land or land banking, to deter competition.
Imperfect information	Imperfect information happens when buyers and sellers do not have all the information they need to make a fully informed decision. Buyers need to know the quality of a good or service to judge the value it can provide. Sellers, lenders and investors need to know the reliability of a buyer, borrower or investor. If information is asymmetrical, this can lead to adverse selection and the market may not operate efficiently.

Annex B – IDP Principles for project success

<p>Step 1: Project brief and project team</p>	<ul style="list-style-type: none"> • What stage has the infrastructure design reached? Can this be defined in relation to the RIBA Plan of Work, PCF, GRIP project life-cycle stages? • What internal and external approval stage has the client/IG promoter reached i.e. stage gate/gateway, PCF, SOC/OBC/FBC etc? • Are all the remaining approvals/gateways included in the project programme and is the programme realistic? • What statutory approvals are required? • Who are the principal designer and cost estimator for the infrastructure? • Is the promoters cost estimator experienced in costing this sort of infrastructure? • Is the client/IG scheme promoter experienced in delivering similar infrastructure projects?
<p>Step 2: Gather data and evidence</p>	<ul style="list-style-type: none"> • Have the client/grant bidder benchmarked cost estimates using an industry recognised cost classification and are these provided as part of their bid/SOC/OBC etc? • Are design and cost assumptions transparent and are they appropriate for the current project stage - to include engineering assumptions (scope, methods of construction, temporary works, specification), commercial assumptions (procurement, risk, delivery management), cost estimation assumptions (market conditions, rates, benchmarks)
<p>Step 3: Select cost estimating methodology</p>	<ul style="list-style-type: none"> • What is the basis of the client/IG promoters cost estimate e.g., via comparison with similar projects ('analogy'), bottom-up e.g., based on measured quantities and mature design, expert opinion e.g., for novel or complex projects at an early stage • What is the evidence base for the choice of method of cost estimation? • Is there a project risk register? What risk allowances (% of base cost) have been allowed e.g., known project risks, strategic risks e.g., policy changes, scope risk, schedule risks, behaviour risks • How are risks quantified e.g., simple OB allowance, quantitative risk analysis, Monte Carlo etc?
<p>Step 4: Calculate base estimate, uncertainty, risk and opportunity</p>	<ul style="list-style-type: none"> • Is the base cost estimate for every infrastructure project clear and transparent? • Is the project cost estimated as a range: Reasonably pessimistic, most likely, reasonably optimistic? • What is the fixed point in time (date) of the estimate? • What inflation allowance has been included?
<p>Step 5: Produce cost estimate report</p>	<ul style="list-style-type: none"> • Is there an Anticipated Final Cost (AFC) for every infrastructure project equivalent to the P-50 median cost probability?
<p>Step 6: Review and assure</p>	<ul style="list-style-type: none"> • Has the client/IG promoter sought any independent cost appraisal i.e. separate from the designers or project estimators? Would this be appropriate for this project given the scale, complexity, novelty etc?
<p>Step 7: Project leadership sign-off</p>	<ul style="list-style-type: none"> • Has the cost estimate been signed off by the project's SRO?

36

Step 8: Use the cost estimate to support decision-making	<ul style="list-style-type: none">• Is the cost estimate appropriate for the stage of IG funding decision?• Does the scheme design, risk assessment, assumptions etc. need to be developed before a robust funding decision can be made within IG programme parameters?• Does the DD report make clear how the project costs have been calculated and provide assurance?