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Homes England Delivery Partner Dynamic Purchasing System

Invitation to Tender for
Merrington Lane Phase 2, Spennymoor, County Durham
Large Site – General residential led development

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Development of Homes England Land: Merrington Lane Industrial Estate (Former Electrolux Site), Spennymoor, County Durham Phase 2



Stage 2a: Initial Tender Submission Deadline Friday 30th September 2022

13:00pm

Stage 2b: Full Tender Submission Deadline Thursday 15th December 2022

13:00pm

Section 1: Introduction

Homes England is seeking to procure a single preferred Delivery Partner concerning the development of its 11.21 ha site located off Vyners Close, Spennymoor, DL16 7XL (referred to throughout this ITT as 'Merrington Lane Phase 2'). This is the second phase of the wider Merrington Lane site.

This 'Invitation to Tender' (ITT) is part of the Call for Competition procurement process being undertaken by Homes England in accordance with the DPS Agreement.

You have received this ITT because you are a Member of Homes England's Delivery Partner Dynamic Purchasing System (DPS) and responded positively to the Expression of Interest (EOI) for Merrington Lane Phase 2 issued on 20th July 2022.

Note that this ITT is a Stage 2a and Stage 2b type of ITT. This means that you are invited to respond to the Stage 2a Initial Questions. If you are deemed successful, you will be notified and invited to complete and submit a Full ITT response (Stage 2b). If you are not successful at Stage 2a then you will be notified of this and excluded from participating in the remainder of this tender.

Any clarifications regarding the content of this ITT should be issued using the DPS Portal (ProContract).

Section 2: The Site

Key details pertaining to the site were made available to DPS Members as part of the 'Expression of Interest' stage.

Merrington Lane – General Overview

Homes England's interest at Merrington Lane comprises approximately 18.47ha of fully remediated and serviced brownfield land.

Homes England acquired the site in March 2017 with the benefit of an outline planning consent for the development of up to 425 dwellings and 5,000m² of commercial use (Ref: 8/CMA/7/91).

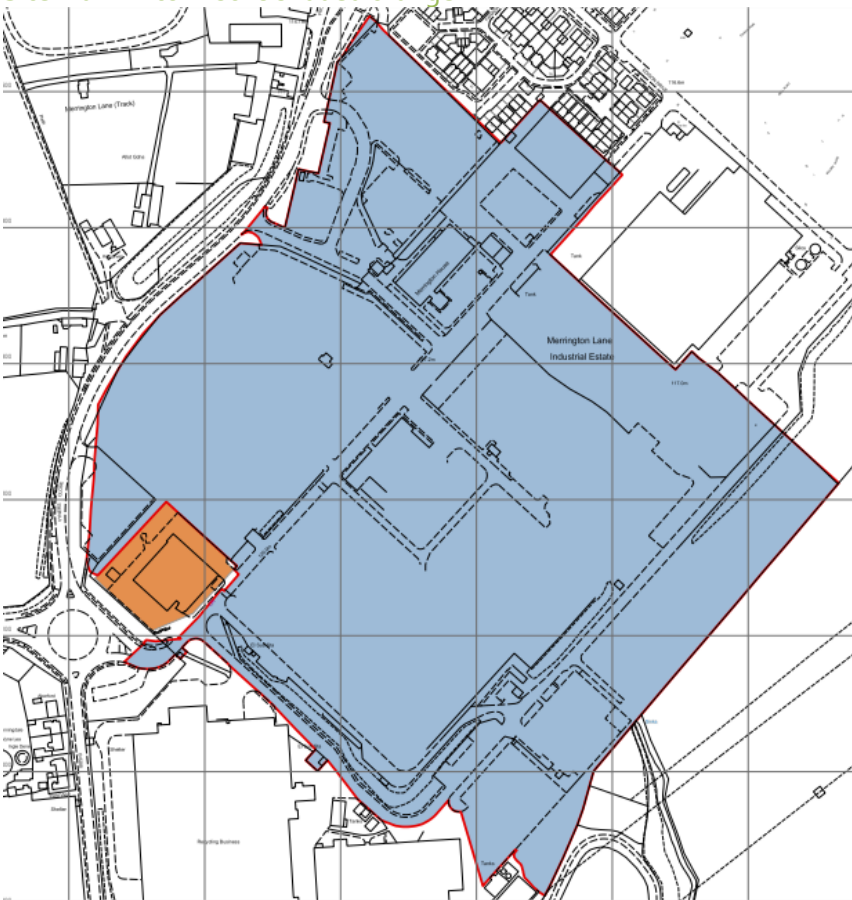
Homes England has further acquired two neighbouring commercial properties which are not included within the red line of the outline planning consent: Merrington House (2019) and Mitchinsons (2020), removing non-compatible neighbouring industrial uses and maximising housing capacity on site, the Mitchinson site has been incorporated into Phase 1 and was granted consent for residential use in June 2022.

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Parcel Map Image: Merrington House outlined in red:



Site Plan: Mitchinsons shaded orange:



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The site is split into 3 phases:

- Phase 1 (including the Mitchinson site) is under a conditional contract with Lovell Partnerships for 124 new homes following marketing of the first phase via Homes England's previous Developer Partner Panel (DPP3) in 2019. Lovell are due to draw down the Building Lease for the first phase imminently, with an expected start on site this year.
- Phase 2 is the subject of this ITT and has a development capacity within the extant outline consent for up to 325 dwellings. Homes England is currently undertaking a masterplan refresh to meet current Durham County Council policy requirements, and this may result in a reduction in unit numbers. Bidders will be kept informed of progress in relation to the masterplan refresh and the impact on density.
- Phase 3 and Merrington House will be marketed at a later stage and (subject to market demand and viability) will deliver a mixed-use site with a commercial element, serving the wider development.

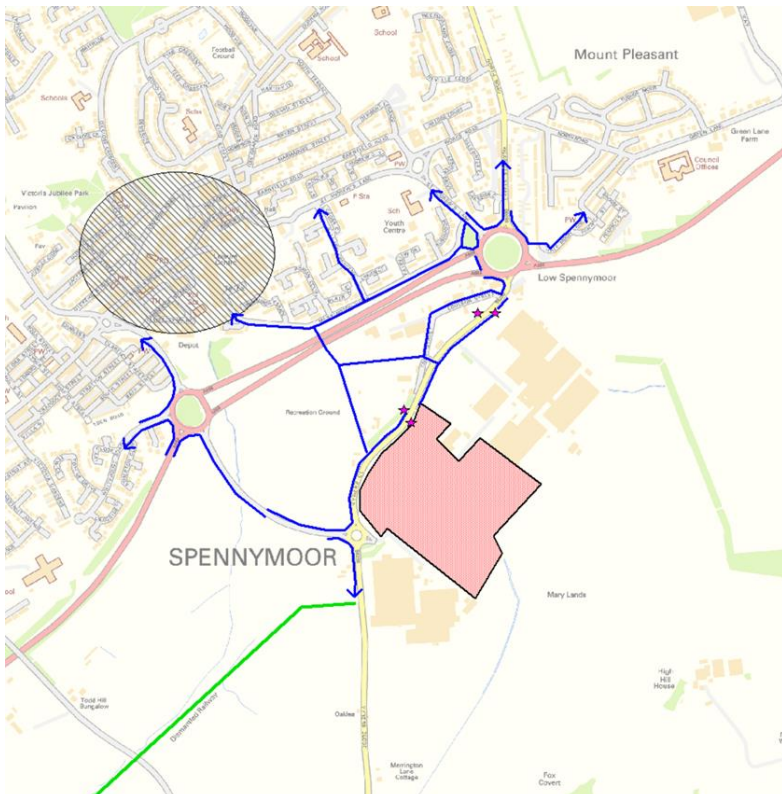
Homes England is now marketing **Phase 2** (11.21 ha) for disposal and will require its appointed developer to deliver up to 325 homes.

Site Location

The site is situated approximately 1 mile to the south of Spennymoor Town Centre and 6.5 miles south of Durham City Centre with good access to the A1(M) and the wider Northeast.

The site is bounded by Vyners Close and has two main accesses from the B2688: one from Merrington Lane and the other from the roundabout at Vyners Close to the Southwest of the site.

Location Plan:



Site Details

Historically, the site has been used for industrial and manufacturing purposes, formerly operated by Electrolux. The facility closed in 2009. Whilst some commercial uses remain in the vicinity, there has been considerable new build residential development in and around Spennymoor in recent years, such as new housing at Durham Gate to the north delivered by a variety of housing developers, and Merrington Park, a Barratt David Wilson scheme which adjoins the site.

Since acquiring the site in March 2017, Homes England has undertaken extensive de-risking works as follows:

- Site remediation - including the demolition of redundant buildings (such as redundant electricity substation buildings) and general site clearance.
- Utility infrastructure - replacement of extensive private utility services with public networks.
- S278 off-site highways work to improve the surrounding highway infrastructure.
- Delivery of an adoptable spine road and creation of an attractive tree lined boulevard.
- Drainage infrastructure – including a culvert diversion running through the new spine road rather than the first phase of development, providing a drainage solution for the whole site.

Planning status

The site benefits from an extant outline planning permission granted by Durham County Council in October 2013 (8/CMA/7/91) for:

"Mixed Use Development comprising up to 425 dwellings and commercial uses including associated access and landscaping works (Outline - all matters reserved)".

The extant outline consent is subject to an Affordable Housing provision of 10.5%, highway improvement works and S106 contributions amounting to £100,000, comprising an £80,000 education requirement and £20,000 for improvements to the town centre pedestrian link.

In May 2018, Homes England submitted a S73 'non-material amendment' application to Durham County Council to vary the extant outline consent and deliver a phased delivery approach, which was supported and approved (DM/18/00652/NMA).

The outline planning consent would have expired if a Reserved Matters application for the first phase was not submitted by October 2018. Therefore, to keep the extant planning consent 'live' and avoid a significant increase in S106 contributions that would result from a new planning permission (due to policy changes), Homes England submitted a Phase 1 Reserved Matters planning application in October 2018 prior to marketing the phase (DM/18/03075/RM). Lovell have since submitted a Reserved Matters application (DM/18/03075/RM) to adapt the full planning application to their house types, alongside a new full application for the former Mitchinson element of Phase 1 (DM/21/04047/FPA).

Durham County Council now require a Reserved Matters planning application for the remaining phases of the site by October 2023. It is Homes England's desire to bring forward Phase 2 for disposal within the timescales of the extant outline planning permission, as any subsequent outline planning application will be subject to increased s.106 contributions, originally estimated at around £2.5m, adding to an already challenging viability position.

Design

It has become apparent that both Durham County Council and Homes England's own design aspirations for the development of the site have elevated significantly. Therefore, the historic illustrative masterplan and parameter plans approved within the extant outline consent are no longer considered to reflect the design and placemaking potential of the site.

Durham County Council are willing to be flexible on future applications and accept substitute parameter plans and a refreshed illustrative masterplan if quality of placemaking can be improved. Therefore, Homes England has appointed IDP Architects to refresh the historic illustrative masterplan and produce a Parcel Code to guide each phase of development, with the aim to improve quality of placemaking and design in alignment with Durham County Council's design policy and guidance. These documents will be made available to bidders via Procontract, and bidders are invited to make comments on the proposed masterplan during stage 2a of this procurement through response to an unscored question (see section 11 for more details).

The parcel codes will be used to inform the Building for Healthy Lives and design assessment and bidders proposals must comply with the masterplan refresh when this has been finalised and agreed with the Council and bidders will be kept informed of progress in this regard.

Site Constraints

Surface Water Drain –

There will be a requirement for the selected developer to tie in a surface water drain from the industrial estate to the south of the site. Homes England has obtained agreement from Northumbrian Water Ltd with regards to the flow and volume of surface water connecting into the existing culvert.

Homes England will provide an indicative solution and the developer is expected to bid on the basis that they will carry out such works. Details are available in the technical pack which can be downloaded via Procontract.

Minor Grouting Works -

There is a potential requirement for some minor grouting works. Such work was not undertaken as part of the main de-risking contract as it was considered a developer may design around these areas and the masterplan refresh takes this into account. Details are available in the technical pack which can be downloaded via Procontract.

Culvert – There is a culvert which runs through Phase 2, which was diverted to run along the alignment of the proposed estate roads in the original indicative masterplan, this will need to be accommodated within any design solution for Phase 2.

Technical Information

A Technical Pack will be issued via procontract w/c 12th September.

Section 3: Homes England Objectives

In issuing this ITT Homes England's objectives are as follows:

- To receive offers from DPS Members for the site which are conditioned on reserved matters approval only
- To exchange contracts on an Agreement for Lease with its selected Delivery Partner by 29th March 2023 and for its selected Delivery Partner to submit a reserved matters application for its tendered scheme by October 2023 and start on site with the development by January 2024.
- To secure scheme proposals that balance high standards of design quality with the best land value offer achievable that are in compliance with the requirements of this ITT.
- For its selected Delivery Partner to demonstrate compliance with Building for a Healthy Life design toolkit principles through a self-assessment where the developer must score a minimum of 9 'greens' and no reds. The parcel code will be used to inform this assessment.
- For its selected Delivery Partner to build out its consented scheme in the shortest timeframe possible (and which, in any event, based on a 325 unit scheme, cannot exceed the maximum housebuild programme of 108 months from House Build Commencement (a blended pace of 3 homes per month). *Note that the maximum housebuild programme will be based on the no. of units delivered and, in any case, must be a minimum of 3 homes per month.*
- For its selected Delivery Partner to build out the scheme using a variety of Modern Methods of Construction (MMC) techniques that equal or exceed the minimum MMC threshold of 2.5 that has been set for this project
- For all dwellings delivered across the scheme to be sold freehold and therefore free from any ground rent arrangements (with the exception of apartment dwellings).

Design Guidance

In addition to those objectives outlined above, Homes England wants bidders to demonstrate high standards of design quality across their tendered schemes.

The National Design Guide (MHCLG, Jan 2021) outlines the Government's priorities for well-designed places, which developers should give recognition to in preparing their scheme design.

Homes England's preferred method of measuring good design is based upon the Building for a Healthy Life toolkit (or its successor).

A site-specific Building for a Healthy Life baseline assessment has been undertaken and is provided in the technical pack. The baseline assessment considers that the site is capable of achieving 9 'greens' against criteria 4-12 as set out below and provides some commentary on how this can be achieved.

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Green (Good Practice)	Site specific guidance
<p>1 Natural Connections</p>	<p>Connections are presently predominately vehicular dominated; therefore, bidders should consider how they can make the most of existing connections which are mostly to the North and West linking to Spennymoor Town Centre and explore the possibility of future connections via the central boulevard to the neighbouring housing development.</p> <p>The site benefits from a good south eastly aspect overlooking rising agricultural land. Bidders should exploit this wider rural outlook.</p> <p><i>It is accepted that it may be difficult to achieve a green score against this criterion given the existing connections to Spennymoor Town Centre with improvements being outside the developer's control.</i></p>
<p>2 Walking, Cycling and Pedestrian Trails</p>	<p>The masterplan aims to provide an extended off road network within the site that extends the already proposed central greenspace.</p> <p>There is potential also for a new connected recreational route around the southern perimeter to take advantage of the wider rural outlook and also as part of prospective buffer spaces between the new housing and the present neighbouring warehouse/industrial buildings next to the NE & SW boundaries.</p> <p><i>It is accepted that it may be difficult to achieve a green score against this criterion given the existing bus services and lack of cycle lane on the highway.</i></p>
<p>3 Facilities and Services</p>	<p>Despite the relative proximity of the site to Spennymoor Town Centre, there is only one direct pedestrian link via the underpass of the A688 and alternative routes are much more circuitous. Residents are more likely to travel to Spennymoor Town Centre by car, rather than walk or cycle.</p> <p>The provision of a local convenience store would benefit residents. Bidders should consider the future use of Phase 3 of the wider development, which, subject to market demand and viability, will deliver a mixed-use scheme with a commercial element. Bidders should give thought to how future facilities can be well integrated to serve the residents of the wider development.</p> <p><i>It is accepted that it may be difficult to achieve a green score against this criterion given the existing links to Spennymoor Town Centre and the lack of more local services.</i></p>
<p>4 Homes for Everyone</p>	<p>Bidders should comply with Durham County Council's housing mix requirements as set out within the extant outline planning permission. As per the NDG, affordable units should be 'pepper potted' or alternatively, if the RSL would prefer for the units to be broadly grouped, there should be no discernible difference in the affordable</p>

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	<p>home's exterior or curtilage, or in the standard of maintenance compared with OMS units.</p>
<p>5 Making the most of what's there</p>	<ul style="list-style-type: none"> - The site despite its former use as a manufacturing complex as part of the previous wider industrial estate has now been cleared and remediated ready for redevelopment and has the following attributes:- - Fine prospect to the south east overlooking the rising land currently in agricultural use and likely to remain so as outside the settlement boundary - Similarly good longer distance views north & NW from the SE part of the site with a notably green aspect including the treed foreground to the town centre. - These existing and prospective views should inform the strategic site diagram for the principal street network orientation - levels permitting. - The NW aspect of the northern most part of the site respectively abuts Vyners Close with the opportunity to create a positive new development edge and related landscape treatment incorporating some of the existing planting together with a sensitive relationship to the neighbouring housing in Faraday Close. - The new central boulevard in the site requires a positive neighbouring building development frontage to reinforce the primacy of this street in terms of legibility and also facilitating permeability. - The proposed central green space in Phase 1 needs a reciprocal linking space within the subsequent phases to the SE of the boulevard. - The south west and north east site perimeters presently abut existing industrial sheds and their related yards which will remain for the foreseeable future and therefore require some imaginative screening treatment for these spaces - possibly also functioning as a recreational footpath/cycleway around the perimeter – in order to mitigate the visual impact on the outlook from the prospective new homes. - Otherwise there are limited site features on this remediated site apart from the retained north western tree/planting screening Vyners Close and the already constructed central boulevard which has a positive appearance albeit presently lacking a sense of a relatable human scale for pedestrian use.

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	<p>- Overall this therefore presents an opportunity for a strong placemaking response to provide a clear new townscape and greenspace structure for the new development.</p>
<p>6 Memorable Character</p>	<p>Creating distinct places based on a variety of streets; building frontages; public realm; and greenspaces with a focus on legibility and permeability.</p> <p>Bidders should consider strategic place naming to reflect the site’s distinctive features and create a strong identity in the new neighbourhood.</p> <p>Bidders should consider opportunities for tighter and higher densities as for selected development blocks this could reinforce a new offer for this part of Spennymoor – including modular terraced housing.</p>
<p>7 Well-designed streets and spaces</p>	<p>Bidders should seek to utilise the design features already established on site by the main boulevard and seek to develop detailed design appropriate for each type of street and space.</p> <p>The street layout should take account of natural routes running north and west to town centre services and facilities alongside any onsite provision. Pedestrians and cyclists should be given equal consideration to access for car users.</p> <p>Bidders should consider the successful integration of parking into street scenes and child friendly spaces as well as consideration for other age groups and abilities.</p> <p>Bidders should also give thought to green space provision. For example, the opportunity to connect and extend the green space within Phase 1 through the heart of the site which could provide a focus for the new community’s identity. Localised spaces should help to reinforce different character areas responding to location within the scheme.</p>
<p>8 Easy to find your way around</p>	<p>- The emerging site masterplan framework seeks to provide legible connections within and beyond the site perimeters.</p> <p>-Bidders should take into consideration the Parameter Plan which identifies the envisaged most direct principal routes within the layout and the connections to key local attractors e.g. schools, community facilities, local services, bus stops, footpath and cycle networks etc out with the site.</p> <p>- The site enjoys some partial views NW towards Spennymoor, as well as views west to the rising ground of the Weardale hills. The masterplan seeks to strengthen these visual relationships as part of the site legibility and in so doing limit direct views to detractors in close proximity, namely adjacent industrial uses.</p>

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	<p>- Landscape elements should also be utilised to support site legibility, for example to use trees to form focal features and landmarks at key thresholds, or as part of a distinct palette for a particular character area.</p> <p>- Within the site the application of the urban design and landscape design principles described in the National Design Guide (NDG) including key vistas, nodes, edges etc. will be key to achieving a legible place. Boundary treatment and landscape components will also be critical in this instance.</p>
9 Healthy Streets	<p>Bidders should focus on the promotion of walkable places with safe cycling provision to promote healthy lifestyles, drawing on local urban typologies. Streets should offer opportunities for social interaction and activity.</p> <p>Landscape elements add sensory richness.</p>
10 Cycle and Parking	<p>Bidders should consider the provision of cycle storage, as well as adequate parking provision for households which is well designed to prevent parked cars dominating the local streetscape.</p>
11 Green and Blue Infrastructure	<p>Bidders should exploit and upgrade existing natural green and blue infrastructure to maximise biodiversity on site.</p>
12 Back of pavement, front of home	<p>Bidders should respond to relevant local typologies in the layout of buildings in relation to the street and pavements.</p> <p>A well-considered boundary treatment strategy which supports appropriate character areas is important.</p> <p>Clear distinctions should be made between public and private realms and waste management elements well integrated.</p>

Parcel Code

A high level parcel code has been produced which sets out information in respect of the following key design principles:

- Access
- Approach to car parking
- Key views
- Relationship to overall masterplan character areas
- Landscaping
- Massing
- Street hierarchy
- Movement

The parcel code is based on the illustrative masterplan which is informed by Building for Healthy Life design principles and will be used to inform the scoring of bidder's responses to design as set out in the ITT and Scoring Guidance issued with the ITT.

Commitment to Design Quality

Tendered proposals should achieve high quality design, taking full account of the site's opportunities and constraints in order to create a distinctive residential environment.

The proposals should identify a planning and design strategy for the site including details of the proposed in house or externally appointed consultant team and programme schedule setting out the key milestones to planning application submission; the approach to community engagement and consultation; and Design Review panel. Design quality must be maintained from tender stage through to delivery on site. Alongside Building for a Healthy Life (or its successor), proposals must demonstrate evidence of other measures taken to improve and ensure the quality of design.

If, in the opinion of Homes England, there is a discernible drop in the design quality between the tendered scheme and the subsequent reserved matters application pack (i.e. likely to reduce the number of 'greens' in a BfHL assessment), which will be submitted by the preferred Delivery Partner to Homes England for approval, then Homes England reserves the right to require the Reserved Matters application pack to be referred for Design Review with the cost to be borne by the preferred Delivery Partner. This is to ensure that, where possible, the quality of design at implementation stage does not fall below the standards proposed at tender stage.

Section 6: Sustainability Guidance

Homes England wants to appoint Delivery Partners that are able to demonstrate high standards of sustainability across their tendered schemes. Our expectations are that all proposed schemes will be compliant with the relevant sustainability policies (either set by government or the local planning authority) though we welcome tender responses that are able to demonstrate higher levels of ambition to meeting the UK's commitments to net zero carbon and climate change agenda.

Section 7: Modern Methods of Construction

Modern Methods of Construction (MMC) is a term encompassing a wide range of offsite manufacturing and onsite techniques that provide alternatives to traditional house building.

Homes England's latest land disposal guidance recognises that there are currently 7 categories of MMC. These are:

- *1 – Pre-Manufactured 3D Structural Systems*
- *2A – Pre-Manufactured 2D Structural Systems (Closed Panel System)*
- *2B – Pre-Manufactured 2D Structural Systems (Open Panel System)*
- *3 – Pre-Manufactured Structural Components*
- *4 – Additive- Manufactured Structural & Non-Structural Components (3D Printing)*
- *5A – Pre-Manufactured Non-Structural Pods*

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- *5B – Pre-Manufactured Non-Structural Components*
- *6 – Traditional Building Product Led Site Labour Reduction/ Productivity Improvement*
- *7 – Site Process Led Site Labour Reduction/ Productivity/ Assurance Improvement*

It is possible for bidders to use more than one of these categories in the building of a single dwelling - for example, a category 2 open panel timber frame system could be developed using Category 6 and Category 7 processes. If your selected build methodology encompasses more than one of the categories outlined above, then you should enter the number of properties built using these systems against the category with the highest score weighting.

For example, across a 100 homes scheme, you may be proposing to deliver 20 homes using volumetric systems (category 1) and 80 homes using open panel timber frame systems (category 2b). The timber frame-built homes would also incorporate pre-cast concrete foundations and large format blocks (category 6). In this example, you would enter 20 homes against Category 1 and 80 against Category 2B - resulting in an overall MMC score of 5.2 / 10.

Category	Weighting	No. of Homes in Category	% of Homes in Category	Mark
1 – Pre-Manufactured 3D Structural Systems	10	20	20	2
2A – Pre-Manufactured 2D Structural Systems (Closed Panel System)	6	0	0	0
2B – Pre-Manufactured 2D Structural Systems (Open Panel System)	4	80	80	3.2
3 – Pre-Manufactured Structural Components	1	0	0	0
4 – Additive- Manufactured Structural & Non-Structural Components (3D Printing)	2	0	0	0
5A – Pre-Manufactured Non-Structural Pods	2	0	0	0
5B – Pre-Manufactured Non-Structural Components	1	0	0	0
6 – Traditional Building Product Led Site Labour Reduction/ Productivity Improvement	1	0	0	0
7 – Site Process Led Site Labour Reduction/ Productivity/ Assurance Improvement	1	0	0	0
TOTAL		100	100	5.2

Further guidance can be found in the following link:

<https://www.gov.uk/government/publications/modern-methods-of-construction-working-group-developing-a-definition-framework>

Section 8: Contracting Structure

The contractual arrangements around this site disposal are in accordance with Homes England's standard approach in so far as they will involve the selected development partner entering into:

- An Agreement for Lease
- A Building Lease (including a Deed of Overage)

The developer's main obligation under the Agreement for Lease will be to obtain a reserved matters consent within a specified time period. Once the obligations under the Agreement for Lease have been discharged, the Building Lease will be completed. The Delivery Partner will be obligated to start on site within a fixed period following draw down of the lease – and once the development has commenced – it must achieve the practical completion of all dwellings in accordance with the programme it has tendered (which, in any event, cannot exceed 108 months).

The Delivery Partner will also be contractually obliged to develop the scheme in accordance with the MMC techniques / specifications and other requirements set out in its tender response to this ITT. A minimum MMC threshold of 2.5 has been set for this project.

Payments of the agreed price premium must be made in accordance with the timings set out within the developer's tender. Deferred payment offers will be assessed on an NPV basis, using discount rate of 3.7%.

Under Homes England's approach to land disposals, overage will be used as a mechanism for rewarding developers who build a pace.

In this regard, if the developer completes their scheme to the exact date set out in the contract – overage will be shared on a 50:50 basis. If the developer completes the scheme faster than the contracted date, then they will receive an increased share of overage (up to a cap of 70%) and if they complete the scheme slower than the contracted date, they will receive a lesser share of overage (down to a lower threshold of 0%). The faster the scheme is completed, the greater the share received and the slower the scheme is completed the lesser the share.

Delivery Partners will be given a 10% time tolerance on the contracted completion date. If they complete the scheme late – however within this 10% tolerance – the only impact will be that their share of overage will be less than 50% (with their actual percentage share being determined based on how late within the 10% time window they complete). Delivery Partners completing after the 10% time window may be subject to forfeiture.

Extensions of time to the contracted target completion date will be granted to Delivery Partners should matters outside their control occur that cause unforeseen delays to the programme.

Section 9: Development Finance

Homes England want to support small and medium-sized enterprises and innovative developers and housebuilders to build more quickly and to create great communities. The Levelling Up Home Building Fund offers finance from £250,000. Further information can be found on the following website: <http://www.gov.uk/guidance/levelling-up-home-building-fund-development-finance>

Section 10: Delivery Partner Responsibilities

The following section sets out the services that Homes England's selected Delivery Partner would be required to perform and describes mandatory points that bidders must address within their tender submissions.

Delivery Partner Duties

- Secure Reserved Matters approval for their scheme, the basis of which must be consistent with the scheme tendered to Homes England as part of this ITT
- Implement, in full, the Reserved Matters approved scheme
- Comply with and otherwise discharge all appropriate planning conditions associated with the scheme
- Discharge payment of the scheme's agreed S106 costs
- Pay all Stamp Duty Land Tax (SDLT) costs owed in accordance with HMRC requirements. It should be noted that the site is Opted to Tax – meaning VAT is payable against the purchase price tendered
- Under certain qualifying circumstances, it may be possible for you to request that Homes England dis-applies VAT against the site. If you intend to do this, you must make this intention clear within your tender submission – along with the rationale that you would make to HMRC

PLEASE NOTE: In the event that you have a legitimate claim to dis-apply VAT, Homes England would be required to repay all VAT it has claimed associated with its past spend against the site. Since this would be a non-recoverable cost to Homes England – the cost of the VAT that Homes England would be forced to repay to HMRC would be netted off your financial offer

- Raise the level of finance required to cover the scheme's peak funding requirement – and arrange any credit lines that may be needed to meet cost overruns / cash flow shortfalls
- In respect of the affordable housing elements of the scheme, the developer must identify and work with a Registered Provider partner to take on responsibility for these tenures
- Upon draw down of the Building Lease, coordinate effective management of the site and discharge all statutory health and safety duties
- Arrange the delivery and management of all construction activities across the site in compliance with the terms of the planning approval
- Commit to monthly contract monitoring meetings with the Compliance Inspector and Homes England's contract manager
- Secure all appropriate accreditations and warranties for completed dwellings to ensure they are insurable / mortgageable

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- 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 relevant Local Authority in respect of key roads within the development and with the local authority or a nominated management company in respect of the scheme's public open spaces
- Comply with any duties / services required of the developer under the terms of the warranty agreements provided to buyers
- Otherwise comply with any and all obligations set out within the Agreement for Lease and Building Lease
- Work with Homes England's technical assessors / researchers to provide and share data if requested

Mandatory requirements to be reflected in tender submission

Bidders are required to submit tender submissions to this ITT which address the following mandatory requirements:

- Bidders must submit proposals for the site which 1) comply with the scheme's outline planning conditions and 2) otherwise adhere to all planning policy that is relevant at the time of their reserved matters planning submission including, but not limited to, compliance with any site-wide Design Code or Parcel Code, Local Authority sustainability policies
- Demonstrate compliance with Building for a Healthy Life design toolkit principles through a self-assessment where the developer must score a minimum of 9 'greens' and no reds.
- The timeframe tendered in relation to the period between the commencement of house building and the completion of house building must not exceed 108 months. I.e. the minimum timeframe only relates to house building – and does not include time associated planning, site set up, enabling works / remediation works and sales activities
- Bidders must achieve a minimum score of 2.5 under the MMC evaluation theme. Please refer to the evaluation section of this ITT for further details in this regard
- Affordable housing must be tendered on the basis of compliance with the s106
- In regard to financial offers, you are expected to complete Tender Form 8 and set out your offer that aligns with the two minimum standards: i) upfront payment offer or ii) deferred payment offer as set out below

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Payment	Timing of Payment
5% (or higher) of tendered/agreed premium	Payable on exchange of contracts and the Agreement for Lease as a deposit
10% (or higher) of the tendered/agreed premium	Payable on exchange of contracts and completion of the Building Lease
Full remaining balance	Payable by the earlier of either: <ol style="list-style-type: none"> 1. the anticipated mid-point of the Delivery Partner's construction programme (defined as the practical completion of the 50th percentile housing unit) as derived from the bidder's tender submission; and 2. the actual mid-point of the Delivery Partner's construction programme; and 3. the midpoint of the Delivery Partner's sales programme (defined as when 50% of the total housing units to be developed have been sold).

Deferred payment offers will be assessed on an NPV basis using a discount rate of 3.7%.

NOTE:

1. Whilst the payment profile to be tendered by bidders will link to the 'events' described above, for the purposes of contracting, Homes England will translate these events into fixed dates. The preferred Delivery Partner will then become contractually obliged to make their tendered stage payments to Homes England according to the earlier of these fixed dates and the actual dates. For example, if the midpoint of the construction programme is anticipated to occur at July 2025 according to your tendered programme, but it actually occurs in February 2025, then your balancing payment would become due in February 2025. However, if the midpoint of your construction programme actually occurs in October 2025, then you are required to make the balancing payment in July 2025.
2. Homes England reserves the right to amend the above minimum requirements as a result of bidder's financial capacity at any stage during stage 2b of the tender
3. We will undertake a financial appraisal of bidders in line with section 5 of the Delivery Partner Dynamic Purchasing System Agreement, details of which will be set out as part of the tender process. The purpose of the Tender Financial Appraisal is to assess whether bidders have sufficient financial strength and capacity, both to undertake the relevant project and to make payments to the Agency on deferred terms. Dependent upon the requirements of this project, the outcome of the financial appraisal and a bidder's existing and anticipated credit exposure to the Agency compared to defined credit exposure thresholds:
 - a. A bidder may be requested to provide a guarantee from a parent company or other body if necessary.
 - b. A bidder's tender response may be excluded from the evaluation.
 - c. A bidder's proposal for deferred payment terms may be excluded from evaluation, meaning that their tender can only be evaluated based on upfront payment terms.

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- The performance of the Delivery Partner will be monitored through the duration of the build programme by a Compliance Inspector. The cost of the Compliance Inspector will be met by Homes England.
- Bidders are prohibited from including ground rents as part of their sales / revenue strategy for the scheme (unless demonstrated as being necessary in respect of flatted accommodation, etc...)
- Bidders must populate and submit all Tender Forms provided for this specific ITT
- Bidders must provide a written submission in support of their Tender Forms responses – and use this written submission to set out the various information requirements referred to in Section 10
- Provide all supporting plans, dwelling layouts, appraisal print outs and CGI images / drawings / photos required in support of your written submission

Section 11: Stage 2a: Initial Tender Submission Guide

Stage 2a is the first scored section of this call for competition process. The aim of stage 2a is to reduce the number of competing developers to a maximum of 6. Developers are asked to respond to the initial questions listed in this section by the deadline of **Friday 30th September 2022 13:00pm**. Responses to these questions will be evaluated and developers will be notified of the outcome via ProContract. The successful developers will be invited to complete stage 2b of this ITT.

Scored Questions

QUESTION 1	
<p>Opportunities & Constraints</p> <p>To demonstrate your understanding of the site and its context, please list out those matters which you regard as the site's key opportunities and constraints / risks.</p> <p>In regard to each, please state how your organisation would seek to use the site's identified opportunities to maximise benefits across the development or else what you believe needs to happen to protect against / manage the site's identified risks / constraints.</p> <p>PAGE LIMIT: 3 A4 pages (Arial size 12)</p>	<p><u>Max score</u></p> <p>10%</p>
<p>Notes regarding the scoring of this question:</p> <p>The written response must be clear, comprehensive and well presented and should satisfy the principals of Building for a Healthy Life and the design guidance provided within this brief.</p> <p>Bidder's responses will be scored according to how well they respond to each of the individual requirements set out within the question.</p> <p>Highest marks will be awarded to the bidder who demonstrates a clear understanding of key opportunities presented by the site (and how their organisation would seek to exploit / take advantage of these opportunities) and who reflects a good understanding of the issues that might prove to be constraints or risks to the site / development (and what they would propose as measures for managing these risks).</p>	
QUESTION 2	
<p>Quality Factors and Scheme Composition</p> <p>Homes England is keen to understand your views on the type of development that you regard as appropriate for the Merrington Lane Phase 2 scheme and comments on the emerging masterplan refresh are invited under question 6 (unscored).</p> <p>Accordingly, Bidders are asked to please provide the following information:</p>	<p><u>Max score</u></p> <p>30%</p>

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- *Confirmation of the housing numbers you would seek to deliver (acknowledging the capped numbers under the outline consent and masterplan refresh and the requirement to comply with the parcel code issued with the ITT)*
- *A summary of the type of accommodation and mix of dwellings you would propose as appropriate for the scheme (i.e. listing the dwelling type, indicative sq.ft size, and bedroom number)*
- *Layout plans and – if available – CGI images or photos of the dwelling types you are proposing in your schedule of accommodation (PLEASE NOTE – this is not mandatory and you will not be scored down if you do not provide this information)*
- *With regard to open space, please describe the features and materials you would seek to incorporate into your open spaces across the scheme. Please also describe how you would ensure it is maintained for the long-term benefit of the residents*
- *The estimated range of sales values you would expect to achieve for each of your proposed house types – and who you would typically expect to be the core market audience for your product*
- *The MMC construction method or methods that you intend to utilise, the envisaged score you think your solution will provide (bearing in mind the minimum MMC threshold for this phase is 2.5)*
- *Examples of previous schemes where you have delivered the types of product you have proposed as part of your answer to this question*
- *Experience with Modern Methods of Construction (MMC) should be summarised with examples of schemes. The type(s) of MMC you intend to utilise should be clearly identified.*

PAGE LIMIT: 4 PAGES OF A4 MAXIMUM PLUS LAYOUT PLANS & CGI IMAGES IF AVAILABLE (Arial size 12)

Notes regarding the scoring of this question:

The written response must be clear, comprehensive, and well-presented and should satisfy the principals of Building for a Healthy Life and the design guidance provided within this brief.

Bidder's responses will be scored according to how well they respond to each of the individual requirements set out within the question.

Highest marks will be awarded to the Bidder who propose a scheme where the density, price points, approach to open space and approach to dwelling types would be best suited to this location – and who are able to succinctly describe the thought process / rationale that has influenced their approach in this regard

QUESTION 3

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<p>Homes England is keen to understand your understanding of the risks and how you would intend to take forward Merrington Lane Phase 2 if you were your identified as the preferred Delivery Partner. These may include matters identified in response to Question 1, but other examples may include planning risks and compliance with policy requirements and the masterplan refresh work, market risks and supply side risks in the current market.</p> <p>Examples of how you have mitigated similar risks on previous sites you have delivered should be included.</p> <p>Highest marks will be awarded to the Bidder who demonstrates an understanding of risks across all areas of the project and how these will be mitigated to achieve the requirements of the brief.</p> <p>PAGE LIMIT: 2 PAGES of A4 MAXIMUM (Arial size 10)</p>	Max score 30%
Notes regarding the scoring of this question:	
<p>The written response must be clear, comprehensive and well presented.</p> <p>Bidder's responses will be scored according to how well they respond to each of the individual requirements set out within the question.</p>	

QUESTION 4	
<p>Please provide a statement setting out how you intend to complement surrounding uses including how you will ensure that the design and layout is complementary to the phase 1 development, how you will connect the site to future development on phase 3 and how your scheme will relate to the existing surroundings. Sketch diagrams may be used to demonstrate proposals in relation to this point.</p> <p>PAGE LIMIT: 2 PAGES of A4 MAXIMUM (Arial size 10)</p>	Max score 30%
Notes regarding the scoring of this question:	
<p>The written response must be clear, comprehensive and well presented.</p> <p>Bidder's responses will be scored according to how well they respond to each of the individual requirements set out within the question.</p> <p>Highest marks will be awarded to the Bidder who reflects the design guidance in the ITT and shows a considered and well thought out approach to making the most of what's there.</p>	

Unscored Questions

QUESTION 5

Homes England is keen to understand how you would intend to take forward Merrington Lane Phase 2 if you were identified as the preferred Delivery Partner.

Max score
N/A

Bidders are asked to provide information on the following:

- Details of any Affiliated Entities
- Details of the respective shareholdings between the parties of the proposed vehicle

PAGE LIMIT: 1 PAGE of A4 MAXIMUM

QUESTION 6

Homes England is keen to understand your views on the emerging masterplan proposals.

Max score
N/A

Bidders are asked to provide comment on the proposed masterplan via written response or annotated plans / sketch diagrams.

PAGE LIMIT: 2 PAGES of A4 MAXIMUM

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Only 'Scored Questions' will be evaluated using the 0 - 5 marking system as follows:

Assessment Summary	Mark	Interpretation
Excellent	5	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.
Good	4	Satisfies the requirement with minor additional benefits. Above average demonstration by the Tenderer 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.
Acceptable	3	Satisfies the requirement. Demonstration by the Tenderer of the understanding and evidence in their ability/proposed methodology to deliver a solution for the required supplies/services
Minor Reservations	2	Satisfies the requirement with minor reservations. Some minor reservations of the Tenderer's understanding and proposed methodology, with limited evidence to support the response.
Serious Reservations / Non-Compliant	1	Satisfies the requirement with major reservations. Major reservations of the Tenderer's understanding and proposed methodology, with little or no evidence to support the response.
Unacceptable / Non-Compliant	0	Does not meet the requirement. Does not comply and/or insufficient information provided to demonstrate that the Tenderer has the understanding or suitable methodology, with little or no evidence to support the response.

Once a mark out of 5 has been assigned to your response, that mark will be multiplied by the weighting given to each individual question to arrive at a percentage score.

The percentage scores / weightings available for each question are as follows:

Question 1 – Opportunities & Constraints – 10%

Question 2 – Scheme Composition – 30%

Question 3 – Understanding of Risks – 30%

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Question 4 – Design & Wider Development Site – 30%

For example, a mark of 3 out of 5 for question 1 would achieve a percentage score of 12% (out of the 20% available). This is calculated as follows: $3 / 5 = 0.6$. $0.6 \times 20\% = 12\%$.

Similarly, a mark of 4 out of 5 for question 2 would result in a percentage score of 32% (out of the 40% available) – i.e. $4 / 5 = 0.8$. $0.8 \times 40\% = 32\%$.

Please note section 2b should only be completed if you are notified on ProContract to continue to the next stage. For information the timetable is as follows:

Milestone	Date
Deadline for Stage 2a Responses	Friday 30 th September 2022 13:00pm
Notification to submit Stage 2b tender	Wednesday 12 th October 2022

Section 12: Stage 2b Full Tender Submission Guide

You will be notified whether you have been successful at Stage 2a and be invited to complete and submit your response to the Full Tender. Stage 2b will involve the completion and submission of Tender Forms and a Written Submission by the deadline of **15th December 2022 13:00pm**.

This document is supported by the Delivery Partner DPS Evaluation Scoring Guidance. This document is intended to help bidders understand what information Homes England expects you to submit as part of your tender and how Homes England will use this information to award marks and select a preferred Delivery Partner for this site.

Tender Forms

This ITT is accompanied by nine (9) Tender Forms which are to be completed / populated by bidders as part of their responses.

TENDER FORM 1: Property & Revenues Form

TENDER FORM 2: Cost Form

TENDER FORM 3: Project Timings

TENDER FORM 4: MMC Scoring Form

TENDER FORM 5: Building for a Healthy Life Guidance & Bid Template

TENDER FORM 6: Legal Clarifications Form

TENDER FORM 7: Conditions Form

TENDER FORM 8: Financial Offer Form

TENDER FORM 9: Affordable Homes Programme 2021-2026 Grant Assumptions

Note that Tender Forms 1, 2, 3, 4 and 9 is a combined document in the form of an editable MS Excel document. Tender Form 5 is an editable MS PowerPoint document and Tender Forms 6, 7 and 8 are individual editable MS Word documents.

Written Submission

Completed Tender Form responses (which are to be provided in MS Excel format) will form a key part of the information that is evaluated by Homes England to determine a preferred Delivery Partner. They will be assessed against the following three assessment themes:

- Pass / fail
- Non-price
- Price

Bidders are asked to provide a track changed mark-up of the template legal documents in MS Word. Any additional comments can be provided in Tender Form 6. It is not intended that Tender Form 6 replicates the mark up.

Bidders are advised that legal documents agreed with Homes England in relation to other transactions DO NOT set a precedent and proposed changes should be site specific.

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Bidders are also asked to provide a Written Submission to support their offer. Written Submissions are an opportunity for bidders to expand upon the responses given in their Tender Forms. The submission should be presented in the form of a single PDF document covering parts 2-7 parts below. Plans prepared in response to Part 1 can be provided separately in PDF format.

PART 1: Scheme Plans & House Types

Bidders should provide:

- **PLAN 1:** A constraints and opportunities plan – with embedded commentary / photos to illustrate the nature of the opportunities / constraints identified. This plan should be provided at 1:1000 scale
- **PLAN 2:** A dwelling layout plan which shows the distribution of homes across the site marked by tenure and type – and with a corresponding embedded schedule of accommodation

The same plan should be used to highlight your car parking layout for the scheme, showing the location of car parking facilities across the development that will serve residents and those that will serve visitors – and with an embedded schedule summarising the number of private and public visitor car parking spaces to be accommodated. This plan should be provided at 1:1000 scale

- **PLAN 3:** A street hierarchy plan (i.e. primary, secondary and tertiary streets), which also clearly shows the development's different means of access (vehicular, emergency vehicle, cycle and pedestrian). This plan should be provided at 1:1000 scale
- **PLAN 4:** A landscape masterplan capturing the layout and specification details of your proposed public open space / public realm proposals. This plan should include embedded details (text and images) of existing landscape features that will be retained, examples of the proposed street furniture and play facilities you are proposing (if applicable), details of any biodiversity features you propose to include as part of your scheme and the materials you propose to use across your public realm / public open space. This plan should be provided at a 1:1000 scale and can be used as part of your response to sections 1 & 4 of the design assessment
- **PLAN 5:** A plan of your scheme with 3 types of shading – the first to reflect privately owned spaces (i.e. the boundary of the house plots), the second to reflect space that is to be vested with a management company and the third to reflect land that will be adopted by the local authority. This plan should be provided at a 1:1000 scale
- **PLAN 6:** A construction and sales phasing plan – showing the proposed location of construction compounds, the location of sales outlets and details of your traffic strategy for managing construction traffic and sales related traffic across the development. This plan should be provided at 1:1000 scale
- **SCHEMATIC 1:** CGIs, photos or drawings of a maximum of 6 of the dwelling types you are proposing to use as part of your scheme – which highlight the variety in the typologies you are proposing, the elevational treatments you would seek to adopt and also the boundary treatments you are proposing to establish between the plot and the public realm

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- **SCHEMATIC 2:** A single CGI or drawing of one of your primary streetscapes within the scheme which can be used by Homes England to better understand the proposed character of your scheme (and which could also be used for promotional purposes when announcing the preferred bidder)

Responses to Part 1 is limited to plans / drawings, as referred to above, only

Part 2: Design

Homes England is using Building for a Healthy Life as the toolkit by which it intends to measure design quality.

In order to demonstrate your approach to design, bidders should:

- Provide a Building for a Healthy Life self – assessment. This should be presented in the form of a table – which provides the following information and achieves the minimum of 9 greens and no reds:
 - Column 1: The BfHL question
 - Column 2: Narrative on how your proposed scheme responds to the BHL question
 - Column 3: The self-assessed rating you have given yourself in respect of the answer you have provided (rating to be provided in the form of green (= fully adheres to the BHL principle), amber (= partially responds to the BfHL principle) or red (= does not respond to the BHL principle) scoring system)
- Populate Tender Form 5 (instructions on how this should be completed are provided in the introductory section of the form)

The self-assessment must be provided in the form of a table and included in the main body of your written submission.

The response to the design assessment must be provided by populating the template provided at Tender Form 5.

This element of the submission will be assessed externally by the panel that prepared the baseline Building for Healthy Life assessment to ensure consistency.

PART 3: Planning & Management

Bidders should:

- Outline why their tendered scheme would be successful in securing a reserved matters planning consent – including details of any interaction they have had with the local authority which has helped them in shaping their proposals for the scheme and which gives them confidence that they would secure planning approval
- Indicate what their long term proposed management arrangements are for all non-saleable parts of the scheme – and confirm the cost of these management arrangements and how they are to be funded (i.e. commuted sum payment netted off the land value, a management company paid for by residents through an annual management fee, etc...)

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- In the event of bidders electing to have part of their scheme adopted by the local authority, they must confirm why they believe their chosen landscape materials would be acceptable for adoption

The responses to this question will be cross referenced against your responses to Section 3 of the Design Assessment (Tender Form 5) and should clearly set out the long-term management arrangements for the proposed scheme.

Responses to Part 3 is limited to no more than 2 A4 pages / 1,000 words

PART 4: Values & Marketing Strategy

Bidders responses to this section should correspond to the information you have provided in the response to Tender Form 1.

Bidders should provide:

- Evidence to verify that their tendered sale values per sq.ft (across all tenures) are achievable
- Why they believe there is sufficient choice in their proposed house type range to maintain buyer interest over the course of the project
- Who they regard as being their core market audience
- The marketing brands they will use and the types of promotional marketing activities they will use to maintain their tendered pace of sales
- Confirmation and evidence that their homes will be mortgageable and insurable (irrespective of MMC technology used), including details if the accreditations that their product types will secure

Responses to Part 4 is limited to no more than 3 A4 pages / 1,500 words

PART 5: Project Risks & Programme Schedule

Bidders should provide:

- A risk register identifying:
 - The bidder's opinion of all the key risks / constraints associated with the project
 - The likelihood of the risk occurring
 - The likely impact of the risk
 - How the risk will be mitigated
 - A summary of the costs (if any) you have allocated to mitigation of the risk and whether these costs are accounted for as contingencies which have been netted off your land value offer
- A development programme schedule (in a gantt chart format of their choosing) which demonstrates time allowances for all work stages associated with the project – and which corresponds to the timing set out in Tender Form 3

Response to Part 6 is to be provided in the form of a table (risk register) and gantt chart (programme)

PART 6: Funding

Bidder should provide:

- A printout of their organisation's own internal development appraisal and cash flow for the scheme on their preferred payment terms (at Homes England's discretion, we may ask you to provide these documents in an editable format). Homes England reserves the right to request an additional appraisal and cash flow to support an alternative offer should it wish to proceed on this basis.
- Details of the proportion of the scheme's Gross Development Cost that will be met from:
 - The developer's own equity
 - Debt
 - Recycled sales receipts
- In regard to those projects to be funded through debt, bidders must indicate:
 - Who their lender is / lenders are
 - The level of debt to be borrowed
 - Whether this debt is currently in place or still to be approved by the lender
 - In the event of their debt funding having already been approved, please provide evidence
 - What terms of security their investor requires
- Please indicate how any cost overruns that might arise from the scheme would be paid for
- In the event that elements of the Bidder's proposed scheme are to be funded / part funded through forward sale arrangements e.g. affordable housing, PRS the Bidder must indicate:
 - Who their forward sale investor is / investors are
 - The stage payment terms they have agreed with this party
 - The status of the legals between the bidder and forward funder i.e. either no agreement yet in place, or heads of terms agreed, or conditional agreement in place, etc
 - That any forward funder is satisfied with the Golden Brick security arrangements referred to in the legal pack provided by Homes England

Responses to Part 6 is limited to no more than 1 A4 pages / 500 words, with your appraisal and cash flow provided as a separate appendix to your submission

PART 7: Resources and Expertise

Bidders should provide:

- A case study demonstrating their track record for delivering a scheme / schemes of a similar scale and with a similar peak debt / gross build cost to this scheme

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- Confirm that they have the necessary in-house staffing, financial and supply chain capacity to successfully resource a project of this scale within the timescales tendered
- In respect of those members of their consultancy team or sub-contractors who will have either i) design responsibility or ii) will be appointed on the basis of work packages valued at £2m or more:
 - Details of who these organisations are
 - Confirmation that collateral warranties, IPR and step in rights can be provided in the event of the Bidder's withdrawal from the project

Responses to Part 7 is limited to no more than 2 A4 pages / 1,000 words

Other Considerations

Future Homes Standard - Changes to Part L, F & O of the Building Regulations & Future Homes Standard

A requirement of this tender process is that Bidders are invited to submit land value offers to Homes England that reflect the building regulations that are in place as at the date of the tender submission.

Acknowledging the Government's climate change commitments, it should be noted there are several housing related policies that are due to come into force. Revisions to building regulations parts F and L and new regulations O and S came into force 15th June 2022. DLUHC has continued to confirm there will be a further consultation on the proposed notional Future Homes Standard specification in 2023 to derive the final performance specification for the published regulations in 2025.

Homes England acknowledges that achieving compliance with the 2022 Parts F, L & O and the Future Homes Standard will potentially have implications for build costs as new homes are to be future proofed with low carbon heating and higher levels of energy efficiency – this consideration may have implications on the land values that developers will offer to landowners.

The provided Tender Form 1 includes fields for bidders to include information regarding the additional costs of implementing these (and other) policies and the impact that these costs may have on the land value of the proposed offer.

This information will inform our evaluation of your bid and will be the only concession Homes England will make toward such costs irrespective of how the future regulations may be written.

Tenure Diversification and the use of Grant Funding from the Affordable Homes Programme 2021-2026

It is recognised that our partners may wish to submit tenders that comprise tenure diversification above the tenure requirements set out in the S.106 agreement and this may trigger the eligibility for grant funding under the Affordable Homes Programme 2021-2026. If you are intending to submit a tender that proposes tender diversification and the inclusion of Affordable Homes grant funding, please consider the following:

- The DPS member submitting the tender will be required to maintain the contractual relationship with Homes England throughout the lifetime of the development. The only legal interest available

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to any additional RP/ PRS partners will be a sub-lease interest or development agreement until the freehold transfer becomes eligible in accordance with the terms of the building lease

- Use of Affordable Homes grant funding is only available on the delivery of affordable homes over and above the provision set out in the S.106 agreement and is subject to the status of the overarching grant programme at the time of tender submission
- Where a tender includes the use of Affordable Homes grant funding the bidder **must complete Tender Form 9** detailing the grant assumptions that have been used to support the land value offer
- Value for Money (cost minimisation) is a central consideration in the administration of grant funding, and for this reason in order to be eligible for grant developers must demonstrate that the proposed transfer value (inclusive of any assumed grant) reflects a minimum discount of 10% from the open market value of the property
- Any proposed Affordable Homes Programme 2021 -2026 funded homes and development will otherwise need to be entirely compliant with the Affordable Homes Programme 2021 -2026 [Capital Funding Guide](#) (e.g. tenure and [Nationally Described Space Standards](#)). Where this cannot be demonstrated the tender will not be deemed acceptable

Grant assumptions will be reviewed by Homes England on receipt of your tender submission and in the event the assumed level of grant is deemed unacceptable you may be asked to re-calculate your offer based on revised assumptions provided by Homes England.

More information about applying for grant from the Affordable Homes Programme 2021-2026 is available at <https://www.gov.uk/guidance/apply-for-affordable-housing-funding>.

The completed Tender Forms Written Submission provided by Bidders will be assessed against the following three assessment themes:

- Pass / fail
- Non-price – accounting for 40% of marks
- Price – accounting for 60% of marks

The Bidder who passes each of the pass / fail requirements and who scores the highest unique mark out of 100 will be determined as Home England's preferred Delivery Partner.

Pass / Fail

Tender proposals put forward by bidders must incorporate all mandatory requirements, as set out in Section 10 of this ITT.

Should Bidders fail to incorporate any of Homes England's mandatory requirements within their scheme proposals and / or fail to provide all information requested by Homes England as part of their submissions, and there is no response to clarifications requested then the Bidder's tender proposal will not be put forward

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for evaluation against the price / non-price criteria and will be discounted from the remainder of the evaluation and tender process.

At its own discretion, Homes England may consult with the relevant local planning authority to independently ascertain the likelihood of each bidder's tendered scheme securing a planning consent.

In the event that the local authority does not believe the scheme proposed by the Bidder would secure a Reserved Matters approval, the Bidder's submission, at Homes England's discretion, may be eliminated from the remainder of evaluation and tender process.

Non Price Parameters

Non-price elements of the scoring will account for 40% of marks. The following summarises how scores within the non-price category will be apportioned:

- 20% Design (based on response to Tender Form 5)
- 10 % MMC
- 10% Bidder's understanding of the technical risks and project constraints

Each element will be marked on the basis of a 0-5 marking scheme as follows:

Assessment Summary	Mark	Interpretation
Excellent	5	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.
Good	4	Satisfies the requirement with minor additional benefits. Above average demonstration by the Tenderer 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.
Acceptable	3	Satisfies the requirement. Demonstration by the Tenderer of the understanding and evidence in their ability/proposed methodology to deliver a solution for the required supplies/services
Minor Reservations	2	Satisfies the requirement with minor reservations. Some minor reservations of the Tenderer's understanding and proposed methodology, with limited evidence to support the response.

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Serious Reservations / Non-Compliant	1	Satisfies the requirement with major reservations. Major reservations of the Tenderer's understanding and proposed methodology, with little or no evidence to support the response.
Unacceptable / Non-Compliant	0	Does not meet the requirement. Does not comply and/or insufficient information provided to demonstrate that the Tenderer has the understanding or suitable methodology, with little or no evidence to support the response.

Once a mark out of 5 has been assigned to your response, that mark will be multiplied by the weighting given to each individual question to arrive at a percentage score.

PRICE PARAMETERS

Price elements of the scoring will account for 60% of marks. The following summarises how scores within the price category will be apportioned:

- 5% - cost robustness
- 55% - price

Section 13 – Programme Schedule & ITT Milestones

The following programme indicates key milestones within the ITT procurement process:

Milestone	Date
Formal launch of ITT	08/09/2022
Deadline for Stage 2a	07/10/2022
Notification to submit Stage 2b tender	12/10/2022
Deadline for Stage 2b responses	15/12/2022
Evaluation, Clarification and Governance	20/01/2023
Confirmation of Preferred Bidder	09/02/2023
Completion of Agreement to Lease with Preferred Bidder	23/03/2023

Bidders must submit their electronic format tenders via ProContract. **Submission of hard copy documents is not permitted and will not be considered.**

Bidders are required to upload their tenders to ProContract by a time / date not later than **1pm, Thursday 15th December 2022**

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All enquiries concerning this ITT should be directed through the ProContract.

Should Bidders wish to engage with Durham County Council planners to discuss their scheme, they should progress a pre-application advice request (which is chargeable) via the procedures set out in the below link:

[Planning Enquiry - doitonline - Durham](#)

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enquiries@homesengland.gov.uk

0300 1234 500

gov.uk/homes-england

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