



Homes
England

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**Property Professional Services Framework
Further Competition Invitation to Tender (Stage 3 Over FTS
Threshold / Stage 1 Under FTS Threshold)**

Homes England Annual Valuation Exercise 2022/23 – 2026/27

Issue Date: 22/07/2022

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Introduction

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

We ask you to respond to the questions detailed in Part 2, Section 6 (Evaluation Criteria) using the [Response Form](#) and to return the Response Form and Resource and Pricing Schedule in Part 3 with your tender.

This Further Competition ITT is divided into 3 parts:

Part 1 – Commission Requirement

- Details the commission requirements.
- Details additional terms and conditions for the Further Competition. The successful Supplier will be subject to both the terms and conditions of this Further Competition and the Framework Contract. Unless otherwise defined in these instructions, terms used shall have the meaning given to them in the Framework Contract.

Part 2 – Instructions for Submitting a Response

- Contains important information and instructions on preparing and submitting a tender response. Please read these instructions carefully prior to submitting your tender response.
- Outlines the evaluation criteria which will be used for assessment. It is important that Suppliers familiarise themselves with the criteria and ensure they are considered when compiling their tender response.

Part 3 – Standard Forms

- Contains the standard forms required to be completed and returned by the Supplier when submitting a tender response.

Part 1 - Commission Requirements

1. Commission Background

Each year, Homes England must value its land and property assets as at 31 March for inclusion in the Homes England Annual Report & Financial Statements. This process is named the Annual Land Validation and Valuation Exercise and is commonly referred to by its acronym, ALVVE. Accordingly, you are invited to tender to provide valuation services covering a specific geographic area over the course of a five year period.

Services are required for the valuation exercises: 2022/23, 2023/24, 2024/25, 2025/26 and 2026/27

The job is divided into specific geographical areas (see annex 1 for area boundaries). You may bid for the position of Framework ALVVE Valuer ('Framework Valuer') for one or more areas. **The figures below are for purposes of information only**

Central (Midlands)

1 valuation firm to be appointed for up to circa 75 valuations with a provisional market value of circa £317m*

South West

1 valuation firm to be appointed for up to circa 50 valuations with a provisional market value of circa £115m*

North East, Yorkshire and Humberside

1 valuation firm to be appointed for up to circa 70 valuations with a provisional market value of circa £187m*

North West

1 valuation firm to be appointed for up to circa 120 valuations with a provisional market value of circa £155m*

South East

1 valuation firm to be appointed for up to circa 110 valuations with a provisional market value of circa £668m*

**The portfolio is dynamic; these figures are based on recent estimates and are subject to change from year to year and accordingly no maximum or minimum number of instructions can be estimated over the service period. Specific instructions are issued in early November of each year which sets out the number of valuations to be carried out by the Framework Valuer.*

The ALVVE is managed nationally by the central Valuation and Appraisals Team and locally by Area Co-Ordinators. Instructions will be issued by the regional co-ordinators with Project Managers being the day to day contacts on specific assets. Your central team contacts are provided below and your local contacts will be provided following successful appointment.

- Paul Scaplehorn, Senior Surveyor, Valuation and Appraisals Team, paul.scaplehorn@homesengland.gov.uk
- Sarah Wayman, Surveyor, Valuation and Appraisals Team, sarah.wayman@homesengland.gov.uk

Annexes

1. Geographical Areas Plan
2. Provisional Asset List (subject to change)
3. Valuation Report Template Blank with Guidance (subject to change)
4. Outline Guidance (subject to updates / change year to year)
5. Guidance on Valuation Approach and NRV (subject to updates / change year to year)
6. Valuation Information Notes 21/22 (upon request. This is subject to revision for 2022/23)

2. Objectives

- To record a valuation figure on our Land Management Tool prior to 31 March each year
- To produce a high quality Red Book valuation report for each asset to be valued by the framework valuer within your area dated 31 March each year
- To assist the central team in meeting their objective to provide complete assurance through internal, National Audit Office and RICS Regulatory audit by co-operating with procedures, timescales and requests, which may be subject to change throughout the contract. Any changes will be communicated in writing.

3. The Services

- To attend a briefing session each year which may be held online or in person
- To attend progress and performance management meetings as may be arranged during the year by either the central team or the area co-ordinators
- To read and apply the guidance contained in the Homes England Valuation Information Notes (VIN) and subsequent updates as may be issued from time to time
- To use Homes England's Land Management Tool (LMT) to obtain site information. This software may change to an alternative during the course of the contract. Training will be provided for LMT and for any new software as may be implemented
- To refine individual instructions for each asset with the project manager by confirming in writing the delivery strategy for each parcel/asset and whether a Special Assumption valuation is also required in addition to the MV.

- To obtain from the project manager documentation, reports and costs which may be available / have been commissioned as well as details of any planned enabling works. For example, site investigations, ecological requirements, masterplanning and design work, reports on title, utilities work etc.
- To inspect each asset and adhere to site access arrangements including health and safety protocols
- To use the Homes England ALVVE valuation report template and complete it in line with the Red Book Valuation Reporting Instructions below and further guidance set out in the VIN
- To submit a draft Red Book valuation report to the project manager by the deadline imposed
- To co-operate with the internal peer review process and timetable
- To submit key reporting information onto LMT by the deadlines imposed
- To produce a final Red Book Valuation Report for each asset by the deadlines imposed
- Confirm after 31 March (on request) that valuations are still valid as at 31 March
- To co-operate reasonably with the audit

Red Book Valuation Reporting Instructions:

Purpose of valuation: The Annual Land Validation and Valuation Exercise (ALVVE). This is a Homes England 'internal valuation' process for annual financial reporting purposes, to provide a [Financial Reporting Memorandum](#) (FreM) compliant record of asset values at 31 March each financial year.

Accounting Standards: Homes England's Financial Statements are prepared each year in accordance with the relevant FReM issued by HM Treasury. Homes England's land and property is carried at the lower of its cost and Net Realisable Value. International Accounting Standard 2, Inventories, (IAS2) is directly applicable to Homes England.

Valuation Standards: RICS Valuation – Global Standards Effective from 31 January 2022 plus RICS Valuation – Global Standards 2017 UK National Supplement (the Red Book) where they apply to FreM (as amended, extended or updated from time to time).

Valuation date: 31 March each year

Bases of Value: Homes England's land assets are recorded for financial reporting purposes at the lower of cost and Net Realisable Value (NRV). The ALVVE is concerned only with the NRV element which is defined as "*the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale*". The value reported must therefore be entity specific and the following instructions are derived from the NRV definition.

The basis of value required is Market Value where Homes England's disposal strategy for the parcel / asset has not yet been decided or is the same as could be expected of a typical market participant.

Where Homes England's disposal strategy differs from the likely approach of a typical market participant, or Homes England's place in the market gives rise to a position not otherwise available to a typical market participant, a Special Assumption that Homes England is the market participant must be used, reflecting the entity specific circumstances.

The "estimated costs of completion and the estimated costs necessary to make the sale" are applied centrally by Homes England using a standard formula unless advised otherwise in the valuation report.

Further details can be found in Annex 5 Guidance on Valuation Approach and NRV.

In addition to the bases of value, the Estimated Receipt should also be reported. This is not intended to be a valuation base, but a management tool. The Estimated Receipt is the estimated future gross amount the asset will eventually realise at disposal disregarding any discounting or planned expenditure on enabling works.

The bases required are summarised below (an asset may be made up of more than one land parcel):

- Market Value (MV) for each parcel and total provided for the whole asset
- Market Value with Special Assumption (MVSA) that Homes England is the market participant for each parcel (if applicable) and total provided for the whole asset

Plus:

- Estimated Receipt for each parcel (not a valuation base) and total provided for the whole asset

Approach and methodology used must be stated in the report. Where a residual appraisal is used, a comparable method should also be applied. Any differences in approach from the previous year's valuation should be explained clearly in the report, along with any material change in the valuation. The previous year's valuation report will be provided. Appraisals should be annexed to the report and working files (e.g. .wcfx or .XLS) made available to auditors on request. Where residual methodology, master developer / land trader or NPV calculations have been made, a cashflow must also be provided. See Annex 5 Guidance on Valuation Approach and NRV for further details.

Assumptions made arising from any documentation provided and information obtained through the usual course of valuation due diligence should be stated clearly in the report. Consideration should be given to each input into any residual appraisal and also the effect on the market / costs arising from any emerging policy or guidance. The source of the information should be noted as well as any adjustments made and reasons why. Valuers must apply their professional judgement to all information provided and identify any areas where they consider information to be lacking, assumptions must not be attributed to Homes England other than in the case of agreed Special Assumptions. Circumstances where an issue is noted but is not considered to have had an effect should also be clearly stated as well as the reasoning as to why. Historical cost data should be indexed to present day. Consideration and reasoning should

also be applied to any risk discounts arising, for example planning risk discounts (PRD) or risks associated with land assembly / collaboration agreements etc.

Date of disposal or the likely date of disposal should be included in each valuation report taking into account market conditions and site constraints, and discount to net present value where applicable, providing rationale for the discounting rate adopted. Note that the discounting rate adopted should reflect the disposal strategy and the entity specific circumstances (for example, the typical market participant does not have access to HMT borrowing rates).

Extended or unusual marketing costs which may be incurred to secure a “willing buyer” within six months should be identified. This relates to any potential adjustment required to the standard formula applied centrally to net off the “estimated costs of completion and the estimated costs necessary to make the sale”. See Bases of Value above.

Basic Sensitivity Analysis of the MV and MVSA may be required. This will be confirmed at the briefing session.

Special Assumptions will be applicable where Homes England’s delivery strategy is different to one which may be adopted in the same circumstances by a typical market participant. For example, a Homes England policy to deliver a certain type of housing or construction method may give rise to a different valuation to MV. Another example might be Homes England’s position in the public sector as having access to Treasury borrowing rates and how this may affect the discount rate giving rise to a different Net Present Value than would be otherwise achievable by a typical market participant. Valuation reports should clearly state where the Special Assumption applies and the reason why Homes England’s delivery strategy or position in the market differs from that of a typical market participant.

The Estimated Receipt annex to the main report must be completed. This is not a Red Book valuation but a management tool to inform business planning and analysis. The Estimated Receipt is the estimated future gross figure at which the asset or parcel will eventually realise at disposal. It is anticipated that in many cases the calculation of the Estimated Receipt will require simple adjustments to the calculations used to ascertain Market Value to remove any risk discounts and / or enabling costs forming part of Homes England’s delivery strategy. The information obtained from project managers in relation to delivery strategy and works to be undertaken prior to disposal should be used to inform the calculation. These assumptions should be set out on the annex along with the Estimated Receipt calculation. Where the disposal strategy is to dispose with no further intervention (including where intervention has been undertaken previously) it is likely that the Estimated Receipt will be the same as the current MV or MVSA.

4. Asset Information

Homes England’s portfolio consists largely of residential development sites at varying stages of readiness for disposal. The usual lifecycle of a site at Homes England is acquisition, planning and/or enabling works, disposal of site ready for development. There are some commercial development sites as well as ransom strips, amenity land and a small number of miscellaneous property types such as marinas. This description reflects the portfolio today, but this is

subject to change over the course of the contract. Whilst the focus is likely to remain on housing-led development, a range of valuation skills are required to encompass a variety of delivery strategies including, but not limited to, brownfield regeneration and greenfield site delivery.

Site information can be found on Homes England's Land Management Tool (LMT). Instructions on how to use LMT will be provided and included during the briefing session. LMT may be superseded by a new database during the course of this contract; further training will be provided.

Homes England has a number of terms and references used to describe its land holdings, however for the purposes of ALVVE, "assets" and "parcels" are the relevant identifiers. An "asset" has a unique name and reference number and represents, in most cases, a proposed development site. Within an asset, there could be a number of "parcels". Each parcel has a unique name and reference number also. The parcels should reflect the disposal strategy for the asset. A parcel of land may represent a phase of large development scheme or land suited to different uses may be parcelled separately for individual disposal. In many instances, there will only be one parcel in an asset. Valuations should be provided at parcel level and brought together and reported on one template to provide a total value for the asset.

Plans for each asset and the parcels forming the asset can be found on LMT. A plan taken from LMT should be included in each valuation report. LMT will also hold other basic details such as the site area. Further site information should be obtained from the project manager and from your own site inspection.

Site inspections should be undertaken for every asset unless otherwise agreed in writing. The site inspection procedure, which may change from year to year, will be detailed in the briefing session and must be adhered to ensure safe and timely access to site. At present, the procedure includes submission of a Risk and Method Statement which must be approved prior to visiting the site. Sufficient notice of a site visit is also required to allow estate managers time to arrange key holders etc.

A draft list of sites for each Operating Area (bidding area) is provided at annex 2. The portfolio is dynamic and a refined list of sites to be valued will be provided in Autumn each year.

Around one third of the valuations are complex in nature.

5. Indicative Programme

Due to the size of the portfolio and the complex nature of many of assets, the valuations are broken down into tranches as a tool to assist the timely management of the ALVVE.

Tranche 1 assets are those which are the highest value, or those particularly complicated sites which may take longer to consider and report. Tranche 1 also includes a few sites which are subject to the "Contractor Model" which is a form of Homes England development agreement with specific valuation requirements (further information will be provided where applicable). The Tranche 1 asset valuations are also subject to the most scrutiny and so very early draft reports are required to allow sufficient time for a thorough peer review and discussion before reports are

finalised. The central team will provide peer review support for the Tranche 1 valuations to ensure that each report is ready for audit.

The next batch of valuations is named Tranche 2 and these valuations form the bulk of Homes England’s portfolio being, in the most part, less complicated development sites. However, Tranche 2 assets will still often involve a full reasoned residual appraisal and may be subject to development phasing and include multiple parcels. It is therefore recommended that meetings are set up with project managers as soon as possible to understand which assets may require more time in Tranche 2 and should therefore be prioritised. Previous valuation reports can be provided in most instances to assist. Tranche 3 is for all other non-developable assets.

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

PROGRAMME TIMETABLE

Key Delivery Milestones	Anticipated Date Each Year
Commencement Date	1st week of October
Briefing sessions with Framework Valuers – 1 st year	First 2 weeks of October
Parcel validation -internal process only- carried out by project managers to update information held on LMT.	Completed by the end of October
Framework Valuer briefing – subsequent years	1st week of November
Draft Valuation List to be provided to Framework Valuer	No later than 2nd Week of November, although we anticipate that we will be able to identify the significant valuations to be undertaken before the end of October.
Final Valuation Lists issued to Framework Valuer. Framework Valuer to Refine instructions and obtain site information from project managers and programme valuations in relation to complexity of each job. To provide a copy of the programme to your Area Co-Ordinator.	To be programmed, but within the first 3 weeks of November
Progress meeting with the central team and area co-ordinator – report work programme and address any initial issues, queries etc. and refine programming of which sites fall into tranche 1 and 2 where necessary and finalise valuation list	To be programmed, but during the first 3 weeks of November

Tranche 1 draft valuations to be submitted for peer review	Mid Jan – or within 4 weeks from the date of instructions whichever is the earlier
Progress meeting with the central team and area co-ordinator – check Tranche 1s are almost completed and Tranche 2's are on track.	1st week in February
Tranche 1 final valuation reports submitted	End Feb
Tranche 2 draft valuations to be submitted for peer review	First week in Feb
Tranche 2 final valuation reports submitted	First week in March
Progress meeting with the central team and area co-ordinator if necessary	1st week in March
Tranche 3 final valuation reports submitted for peer review	Mid March
Deadline for all valuations to be submitted and completed (where extensions have been agreed) and for figures to be recorded in LMT by the Framework Valuer	31 March
Confirmation that valuations remain valid as at 31 March	First week in April
Challenge and Audit period	April - July
Completion Date	At end of Audit period

6. Management

The central Valuation and Appraisals Team manage the entire ALVVE process, of which there are three key roles:

- Head of Valuation and Appraisals – overall responsibility for the delivery of the ALVVE
- Senior Surveyor, Valuation and Appraisals – management of the ALVVE, national co-ordination, key contact
- Surveyor, Valuation and Appraisals – support to the Senior Surveyor, key contact

The central team are supported in the management of the process more locally by the following two key roles:

- Area Co-ordinator – local management and co-ordination, key contact
- Area Technical Support – support to the respective Area Co-ordinators
- Project manager – detailed instructions, site information, peer review

Instructions will be issued via Homes England's Transactional Management System (TMS).

Meeting Requirements:

- **Start-up meeting**

For the first year of the appointment a briefing session will be held in October where all Framework Valuers will be invited. Also for the first year an introductory session will be held with each Framework Valuer individually attended by the Homes England Appraisal and Valuation Team and respective area co-ordination teams. In subsequent years, a briefing session will be held in November of each year and forms the start of that year's ALVVE for Framework Valuers. The briefing session should be attended by all valuers within the firm who will be engaged on the instruction. Valuers should familiarise themselves with the VIN and other documents prior to the briefing sessions. The session will be held either in-person or online. There will be an opportunity to ask questions and discuss issues at the end of each session.

- **Review meetings**

At least two progress meetings will be held during the course of the valuation period (see timetable above). These meetings are an opportunity for you as external valuers, the central team and the area co-ordinator, to collectively review the list of valuation instructions in relation to timetable and progress. Any issues can be discussed and addressed collaboratively at these meetings. You may also request a meeting on an ad-hoc basis where necessary.

- **Poor Performance Meeting**

These meetings will hopefully not be required. However, if poor performance is repeated following escalation to the Supplier's Key Personnel to resolve the issue, as required in the Framework Management Schedule of the Framework Contract, the Framework Manager must be notified and Homes England may call for a Poor Performance Meeting. Beforehand, Homes England will present areas of concern so that the Supplier and Homes England can discuss what happened and why, what will be done to prevent it happening again and how matters will improve. The Supplier subject to such a meeting would be expected to outline in writing in a Rectification Plan afterwards what improvements/modifications they will be putting in place. There will be a maximum of two Poor Performance Meetings before termination of the commission.

7. Key staff

Valuations must be carried out by MRICS/FRICS Registered Valuers who are experienced in complex residual development valuations and discounting methodology / commercial property / other specialism relevant to the subject asset.

8. Risks

Risks will be site specific and should be discussed with the project manager prior to forming an opinion value. Assumptions and reasoning for any discounts applied arising from risks must be stated clearly in each report, where applicable.

9. Payment

A fee estimate is to be submitted in the second week of March of every contracted year.

The final fee is to be submitted once all of the valuation reports have been received.

Other Requirements

10. Termination

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.

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.

Sites deemed as exceptional by Homes England may fall outside of these % based fees (see below).

Homes England reserves the right to terminate this appointment in the event that exceptional changes to the organisation's land portfolio mean that external valuation of sites is no longer required or if the project does not proceed or if Homes England is not satisfied with the Framework Member's performance.

11. Conflict of Interest

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.

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.

12. Confidentiality

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.

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.

13. Health and Safety (if applicable)

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
- Site inspection
- Site rules
- Statutory requirements

The job will require sites to be inspected every year. How long each inspection will last will depend upon the nature of the site, as will those who will be affected by the work. Hazards present and access arrangements will be specific to each individual site.

Sufficient notice must be given prior to inspecting a site. This is to allow time for the Supplier to liaise with the Project Manager / Estate Manager to understand the risks and to carry out a site specific risk assessment and method statement (RAMS). A risk assessment may include considerations such as working at height, safe access and egress, parking restrictions, site circulation routes and use of PPE amongst others. Once the RAMS is approved, access arrangements will be made. Authorisation to access a site is given by the managing agent after vetting a completed site access request form (SARF). Further information on site access requirements will be provided in the briefing each year to successful suppliers. Any accident, incident or dangerous occurrence on a Homes England site or work location must be reported to Homes England and the relevant enforcing authority. Suppliers must provide suitably resourced and competent sub-contractors where applicable. Suppliers must ensure everything necessary to enable safe working has been done.

Part 2 - Instructions for Submitting a Response

1. General

- 1.1 The Further Competition deadline is **23:59** on **30/08/22** 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.
- 1.2 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.
- 1.3 **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.**
- 1.4 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.
- 1.5 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.
- 1.6 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.

- 1.7 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.
- 1.8 Tender responses must be written in English.
- 1.9 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.
- 1.10 Homes England reserves the right to cancel this Further Competition process at any time.

If you are bidding for more than one area, a full submission is required for each.

2. Quality

- 2.1 A Response Form template has been provided in Part 2 to respond to the Quality questions detailed in Section 20 (Evaluation Criteria). The Response Form must be **completed and returned** as part of the tender response.
- 2.2 Suppliers must provide information on proposed staff in the Response Form and Pricing Schedule provided in Part 2. If the Supplier is a consortium or intends to sub-contract the Services, in whole or in part, then it should specify precisely in the Resource and Pricing Schedule which economic operator shall perform the Services (or parts thereof).

3. Pricing

- 3.1 A Pricing Schedule has been provided with this Further Competition ITT which must be completed and returned as part of the tender response.

3.2 The pricing approach for this Further Competition is a percentage of the total Market Value of valuations carried out by the Framework Valuer, for that geographical area.

3.3 The number of assets to be valued each year will vary depending upon several factors:

- Acquisitions and disposals changing the size and value of the portfolio during the five year period
- The roll forward mechanisms:
 - Valuations between £150,000 and £5m where no change in the asset has occurred, from the previous year either on a macro or site specific basis, will be rolled forward for up to 5 years (meaning that 20% of no-change assets will be required to be valued each year)
 - Approximately 80% of non-automatic valuations under £150,000 will be rolled forward from year to year where there has been no change to the asset
- Where a valuation has already been carried out as part of the day to day project delivery cycle by a non-framework valuer

Your fee should be sufficiently robust to absorb these variations, however, in the event of a substantial change to the total Market Values of an area we have included a threshold in the Pricing Schedule which will enable you to provide in additional fee quote should this situation arise, and the total Market Value of an area falls below a certain level. The threshold is different for each area but is based on a scenario where the total Market Values are 70% less than the 2021/ 22 Market Values for that area.

3.4 We have re-produced the Pricing Schedule below for ease of reference.

Pricing Schedule
This quote is for

Insert Area Here
NEYH

			% Fee Quote in Year					Scoring		
			MV of Portfolio to be valued in year	22/23	23/24	24/25	25/26	26/27	Notional Total Area MV	Notional Price
Midlands	Equal to or More than	£222,000,000					£317,000,000	£0.00		
	Less than	£222,000,000					£199,800,000	£0.00	£0.00	
NEYH	Equal to or More than	£131,000,000					£187,000,000	£0.00		
	Less than	£131,000,000					£117,900,000	£0.00	£0.00	
NW	Equal to or More than	£109,000,000					£155,000,000	£0.00		
	Less than	£109,000,000					£98,100,000	£0.00	£0.00	
SW	Equal to or More than	£468,000,000					£668,000,000	£0.00		
	Less than	£468,000,000					£421,200,000	£0.00	£0.00	
SE	Equal to or More than	£81,000,000					£115,000,000	£0.00		
	Less than	£81,000,000					£72,900,000	£0.00	£0.00	

3.5 If your bid is successful, your actual fee would be calculated with reference to the percentages set out in your submitted Pricing Schedule for each year and will be subject to the threshold levels shown in the column entitled "MV of Portfolio to be valued in year".

- 3.6 For the avoidance of doubt, only one fee will be paid per completed valuation report, regardless of whether it includes special assumption valuations. The fee shall be based on the reported Market Value, and not any Market Value Special Assumptions, unless expressly agreed between the Framework Valuer and Homes England.
- 3.7 We would expect the tendered (percentage) fees to be based at a discounted level to the Framework Rate for Red Book Valuations to reflect the nature of the exercise. Where sites have a nominal or nil value but are still required to be valued due to their complexity and/or development potential, valuers may discuss an additional flat rate fee, on a site by site basis, with the Homes England ALVVE co-ordinator for the area in question. The starting point for such discussions will be the minimum Red Book Valuation fee included as part of the agreed Framework rates. In exceptional circumstances Homes England may agree a higher flat rate fee but reserves the right to go out to tender for a separate appointment for individual assets if an agreement cannot be reached.
- 3.8 Completion of the valuation process on time is essential to meet deadlines for the annual reporting requirements of Homes England. In order to incentivise timely completion of valuation reports, Homes England is considering introducing a performance-related element to the fee structure. This will not be applied in Year 1 but in subsequent years Homes England reserves the right to offer a 5% incentive for all draft valuation reports submitted in line with the deadline for peer review of the respective tranches and to apply a 5% penalty for all reports that are delivered late. The incentive will only apply to complete reports and the penalty will not apply to evidenced situations where information required from Homes England or third parties beyond the valuer's control is outstanding. Homes England's decision will be final but will be applied in a pragmatic and reasonable manner; the intention is to incentivise good performance.
- 3.9 The activities set out in this ITT and in the Pricing Schedule is not exhaustive and there may be additional duties/services required that will emerge as work is undertaken. This commission may be extended on client instruction to cover such matters as arise, based on the same fee schedule- completed in the tender response. The commission will only be extended if the services relate to the original objective of the overall call off contract.
- 3.10 Suppliers must factor in travel and disbursements to their fee submission as these are unable to be paid separately. The fee must also include time spent refining draft valuation reports during the peer review process. The fee must also include for the potential that time may be spent in responding to audit queries in the weeks following payment of fees each year. This time is not anticipated to be significant and will relate

to a small sample of valuations per geographical area.

4 Evaluation

- 4.1 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 20 (Evaluation Criteria) below and the scoring approach is detailed in Section 25 (Worked Example). Scores will be rounded to two decimal places.
- 4.2 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.
- 4.3 Award decisions will be subject to the standstill period if over the FTS threshold. Unsuccessful Framework Suppliers will be provided with their scores and feedback to explain the award decision.

5 Documents to be Returned

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

- Completed Response Form
- Completed Pricing Schedule
- Supporting CVs for staff proposed to undertake this commission (no more than 1 page each)

6 EVALUATION CRITERIA

Quality will account for 40% 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.

Number	Criteria	Demonstrated by	Weighting
1	<p>Technical Merit of Proposal</p> <p>PAGE LIMIT: Maximum 1 A4 page, 11-point Corbel font</p>	<p>Statement outlining method and approach explaining how the commission will be undertaken</p>	5%
2	<p>Understanding of Project Requirements</p> <p>Demonstrable understanding and application of the valuation instructions provided in this ITT</p> <p>PAGE LIMIT: Maximum 1 A4 page, 11-point Corbel font</p>	<p>Outline the valuation considerations and methodology you would adopt in valuing Homes England’s asset in the scenario below. Refer to information provided in this ITT and your own knowledge. Answer in list format where possible.</p> <p>Delivery strategy: Homes England owns a residential development site which is likely to form part of a wider residential planning allocation. Homes England has joined a consortium of neighbouring landowners in a collaboration agreement to bring forward the development of the land. From discussions with the Local Authority, it is anticipated the land will be allocated for residential development in the Local Plan next year and that an infrastructure road will be required as part of any future masterplanning.</p> <ul style="list-style-type: none"> a. What are the key elements would you consider in your valuation? b. Which valuation approach / method would you use? 	10%

		<p>c. Identify risks to the development and how these might be reflected in the valuation</p> <p>d. Would a Special Assumption apply and why?</p>	
3	<p>Staff and other Resources</p> <p>Demonstrate that the supplier will devote staff with suitable expertise to provide robust valuation reports which will stand up to audit scrutiny.</p> <p>PAGE LIMIT: Maximum 1 A4 page response plus 1 A4 page CV per person, 11-point Corbel font</p>	<p>Who will undertake the commission and why have they been chosen? Please focus on details relating to residential development site valuation experience and resource. In addition, but to a lesser extent, please outline staff expertise and resource available to carry out valuations of non-residential development sites and properties.</p> <p>Identify key members of staff and allocation to the required services paying particular regard to the complex nature of approximately one third of valuations.</p> <p>How much time will they devote to it?</p> <p>Supported by CVs for staff undertaking valuations</p>	15%
4	<p>Management and Communication</p> <p>Demonstrate that robust management and communication process will be in place to ensure the successful delivery of the commission.</p> <p>PAGE LIMIT: Maximum 1 A4 pages, 11-point Corbel font</p>	<p>How will the commission be managed?</p> <p>Who will be responsible for reporting to the Client?</p> <p>Who will manage the team?</p> <p>Where subcontracting arrangements are in place, who will manage the contract?</p> <p>Who will attend site visits / client meetings?</p> <p>Communication strategy</p>	5%
5	<p>Programme</p>	<p>How will the programme be managed?</p> <p>Are programme dates we have given achievable?</p>	5%

	Demonstrate robust programme management skills and ability to meet deadlines. PAGE LIMIT: Maximum 1 A4 pages, 11-point Corbel font	Identify risks which may affect the programme, what impact they may have, and any mitigation.	
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Price will account for 60% of the Overall Score. The lowest price will gain the maximum marks with other prices expressed as a proportion of the best score using the maths explained in the worked example below.		
Criteria	Demonstrated by	Weighting
Price	Completed Pricing Schedule	60%

7 Worked Example

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	5%	1	3	29
	2	4	10%	2	8	
	3	3	15%	3	9	
	4	4	5%	1	4	
	5	5	5%	1	5	

Supplier B	1	5	5%	1	5	33
	2	4	10%	2	8	
	3	5	15%	3	15	
	4	3	5%	1	3	
	5	2	5%	1	2	
Supplier C	1	2	5%	1	2	n/a (fail)*
	2	1	10%	2	n/a	
	3	2	15%	3	6	
	4	4	5%	1	4	
	5	2	5%	1	2	

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

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

Example of Evaluation for the Midlands - Step 1										
Bidder	Total MVs of Vals for Area		% Fee Quote in Year					Scoring		
			22/23	23/24	24/25	25/26	26/27	Notional Total Area MV	Notional Price	Average Notional Price
Supplier A	More than or Equal to	£222,000,000	0.04%	0.04%	0.04%	0.04%	0.04%	£317,000,000	£634,000.00	£616,700.00
	Less than	£222,000,000	0.06%	0.06%	0.06%	0.06%	0.06%	£199,800,000	£599,400.00	
Supplier B	More than or Equal to	£222,000,000	0.04%	0.04%	0.03%	0.03%	0.03%	£317,000,000	£538,900.00	£559,160.00
	Less than	£222,000,000	0.07%	0.06%	0.06%	0.05%	0.05%	£199,800,000	£579,420.00	
Supplier C	More than or Equal to	£222,000,000	0.06%	0.05%	0.04%	0.04%	0.04%	£317,000,000	£729,100.00	£584,330.00
	Less than	£222,000,000	0.06%	0.05%	0.04%	0.04%	0.03%	£199,800,000	£439,560.00	

The example shown above is based on the Midlands. The Suppliers have provided a fee in the event that the total MV for valuations undertaken for the Midlands is £222M or over and also a fee in the event that the total MV for valuations undertaken in the Midlands falls below £222M. Supplier C has no differential for most options and in these cases has filled in both boxes for each year with the same figure. The Notional Total Area MVs provide a benchmark for scoring purposes only (the higher figure is loosely based on the current total MVs from ALVVE 2022). The Notional Price column is the sum of the fee percentages provided each year multiplied by the Notional Total Area MV to provide an indicative Notional Price. An average of the Notional Prices for both scenarios is calculated in the last column. The Average Notional Price will be used for the next stage of the Scoring process. See table below.

Bidder	Average Notional Price	Lowest price/Supplier's price (as %)	Price Score (out of 60)
Supplier A	£616,700	90.67%	54.40
Supplier B	£559,160	100.00%	60.00
Supplier C	£584,330	95.69%	57.42

Worked example of Overall Score and Ranking

Bidder	Total Quality Score	Price Score	Total Score	Ranked Position
Supplier A	29	54.40	83.4	2
Supplier B	33	60	93	1
Supplier C	n/a	57.42	n/a	n/a

Part 3

3.1 RESPONSE FORM

Framework:	Property Professional Services Framework
Project Title:	Homes England Annual Valuation Exercise 2022/23 – 2026/27
ProContract Identification Number:	DN617949
Supplier:	[insert]
Date:	[insert]
Geographical area:	[Select one area per response form. Delete as appropriate: North West, Midlands, North East Yorkshire and Humber, South West, South East]

To enable Homes England to evaluate your tender, we require Suppliers to respond to the questions below whilst making reference to the evaluation section above.

Please refer to the evaluation section for page limits for each question. Any text beyond this will be ignored and will not be evaluated.

1. Technical Merit of Proposal -Max 1 A4 page

Please provide a statement outlining method and approach explaining how the commission will be undertaken.

2. Understanding of Project Requirements and Programme – max 2 A4 pages

Outline the valuation considerations and methodology you would adopt in valuing Homes England's asset in the scenario below. Refer to information provided in this ITT and your own knowledge. Answer in list format where possible.

Delivery strategy: Homes England owns a residential development site which is likely to form part of a wider residential planning allocation. Homes England has joined a consortium of neighbouring landowners in a collaboration agreement to bring forward the development of the land. From discussions with the Local Authority, it is anticipated the land will be allocated for residential development in the Local Plan next year and that an infrastructure road will be required as part of any future masterplanning.

- a. What are the key elements would you consider in your valuation?
- b. Which valuation approach / method would you use?
- c. Identify risks to the development and how these might be reflected in the valuation
- d. Would a Special Assumption apply and why?

3. Staff and Other Resources – Max 1 A4 page plus 1 A4 page CV per staff member

Who will undertake the commission and why have they been chosen? Please focus on details relating to residential development site valuation experience and resource. In addition, but to a lesser extent, please outline staff expertise and resource available to carry out valuations of non-residential development sites and properties.

Identify key members of staff and allocation to the required services paying particular regard to the complex nature of approximately one third of valuations.

How much time will they devote to it?

Supported by CVs for staff undertaking valuations

4. Management and Communication - Max 1 A4 page

How will the commission be managed?

Who will be responsible for reporting to the Client?

Who will manage the team?

Where subcontracting arrangements are in place, who will manage the contract?

Who will attend site visits / client meetings?

Communication strategy

5. Programme - Max 1 A4 page

How will the programme be managed? Are programme dates we have given achievable?

Identify risks which may affect the programme, what impact they may have, and any mitigation

3.2 RESOURCE AND PRICING SCHEDULE

Excel spreadsheet to be included by Supplier in response

enquiries@homesengland.gov.uk

0300 1234 500

gov.uk/homes-england