

London Development Panel 2 Handbook

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This document is intended as a guide to those using, or intending to use, the London Development Panel 2 (LDP2). Those using the Panel should take their own independent advice of all descriptions including commercial, investment, legal and tax advice when using the Panel.

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1. Introduction

- 1.1 The Mayor has identified London's housing crisis as one of the biggest barriers to prosperity, growth and fairness facing Londoners. His draft London Plan sets out a wide range of policies to significantly increase the supply of housing in the capital. It includes identified capacity for 65,000 new homes a year and a long-term strategic target for 50 per cent of all new homes built being genuinely affordable.
- 1.2 The release of surplus, publicly-owned land for residential development has a key role to play in meeting these targets. Recognising this, a new London Development Panel has been established and is an efficient means of accelerating the delivery of new homes on public land. It is a key tool of Homes for Londoners - the umbrella organisation for housing delivery in London, led by the Mayor.
- 1.3 The new London Development Panel, known as LDP2, is a single-lot framework of 29 well established developers, house builders, contractors and Registered Providers of Social Housing (RPs) who have been carefully selected through a rigorous competitive procurement process.
- 1.4 The Panel offers comprehensive development and construction services and can be used by certain public landowners for sites in Greater London, providing a streamlined and efficient method for selecting development partners for their sites. LDP2 replaces the first London Development Panel which expired in 2017. In summary, LDP2:
 - Is a framework for residential-led development to support the Mayor's ambition to accelerate housing development;
 - Can be used for both development and construction opportunities in Greater London;
 - Is available free of charge to certain public landowners and RPs who sign an Access Agreement with the GLA;
 - Can offer a quick and efficient means of selecting a development partner in comparison to other procurement methods;
 - Offers a comprehensive range of development services;
 - Can deliver cost savings through the Panel's defined Mini-Competition process and standardised set of Call-off Contracts;
 - Offers new flexibilities around how Panel Members can bid in Mini-Competitions;
 - Will run for a period of 4 years ending on 8 August 2022. The GLA may extend the Panel by 1 year.

2. Panel Members

2.1 The Panel comprises a mix of companies and consortia. The GLA has entered into a Framework Agreement with the following 29 organisations. These are the “Lead Panel Members” with whom the GLA has entered into a Framework Agreement:

- A2Dominion Housing Group Ltd
- Be Living Ltd
- Bellway Home Ltd
- BDW Trading Ltd (Barratt)
- Catalyst Housing Ltd
- Countryside Properties (UK) Ltd
- Durkan Ltd
- Engie Regeneration Consortium (Engie Regeneration Ltd (Lead Panel Member), HUB Residential Ltd & Delancey Real Estate Asset Management Ltd)
- Galliford Try Partnerships Ltd
- Hadley Property Group Holdings Ltd
- Higgins Group Plc
- Hill Holdings Ltd
- Hyde Vale Ltd
- Lendlease Europe Holdings Ltd
- London & Quadrant Housing Trust
- Morgan Sindall Consortium (Lovell Partnerships Ltd (Lead Panel Member), Muse Developments Ltd, Morgan Sindall Investments Ltd & Morgan Sindall Construction and Infrastructure Ltd)
- Native Land Ltd
- Notting Hill Genesis
- Optivo Homes Limited
- Peabody Developments Limited
- Pinnacle Group Ltd
- Prospect House Consortium (Stanhope Plc (Lead Panel Member), Network Homes Ltd & Laing O’Rourke Construction Ltd)

- Quintain Projects Ltd
- Redrow Homes Ltd
- Swan Igloo Consortium (Swan Housing Association (Lead Panel Member) & Igloo Regeneration Ltd)
- Telford Homes Plc
- The Berkeley Group Plc
- U + I Group Plc
- United Living (South) Ltd

2.2 Contact details for the Panel Members will be made available to Panel Users who have signed an Access Agreement with GLA.

3. How the Panel was Selected

- 3.1 LDP2 Panel Members were selected through a restricted procurement procedure, strictly following the Public Contracts Regulations 2015. The OJEU notice was published on 17 July 2017 (OJEU Notice 2017/S 131-267219).
- 3.2 At the first stage, bidders were required to respond to a Standard Selection Questionnaire (SSQ) which was designed to test their capabilities and experience in delivering residential-led development as well as their financial standing.
- 3.3 Shortlisted bidders were then issued with an Invitation to Tender (ITT) to become Panel Members. The ITT consisted of a hypothetical land disposal opportunity where bidders were required to prepare a proposal for a case study site. This included a masterplan proposal, planning strategy, development programme, funding strategy, health and safety plan, estate management strategy and risk assessment.
- 3.4 Bidders were also required to make a hypothetical financial offer for the site, based on their masterplan proposal. The evaluation of financial offers included assessment of the key variables (build costs, sales values and overheads and profit). The figures put forward by each bidder have been included in their Framework Agreement and are available to GLA staff and signed up Panel Users. It is important to note that these figures are not tendered rates which Panel Members are required to adopt in Mini-Competitions. These figures may, however, be used as a reference point when assessing tenders and Panel Members may be required to provide a justification for any differences between the figures in their original Panel framework tender and the equivalent figures provided when they bid in Mini-Competitions.
- 3.5 The assessment of bids was undertaken by a team drawn from within the GLA Group, supported by external advisors. The GLA has entered a Framework Agreement with 29 top scoring compliant bidders who together form the Panel.

4. Panel Services

4.1 LDP2 is designed to accommodate the provision of comprehensive residential-led development services to the relevant public body. This includes all activities necessary to prepare for, construct and complete the relevant development and associated infrastructure as well as the marketing, sale and after care of the completed development. This includes, but is not limited to:

- Raising of development finance;
- Site acquisition and land assembly;
- Planning and delivery of meanwhile or temporary uses prior to construction;
- Master planning;
- Design development;
- Phasing strategy;
- Obtaining planning permission;
- Supply chain management;
- Construction of development;
- Design and construction of infrastructure to support housing;
- Site management;
- Provision of housing of all tenures including private sale housing, affordable housing and purpose built private rented housing;
- Marketing and sale of homes;
- Aftercare, maintenance and where applicable, ongoing estate management of completed development;
- Structuring of development risk and reward.

4.2 The following types of development are catered for:

- Development and disposal of mixed-use residential-led sites. Mixed-use elements include health facilities, education and community facilities, retail or commercial development;
- Estate regeneration;
- Refurbishment / retrofit of existing houses, residential buildings, empty homes and associated buildings for residential-led use;
- Refurbishment, restoration, conversion of heritage or other buildings for residential-led use;
- Demolition, site remediation, infrastructure and enabling works to prepare sites for residential or mixed-use development;
- Development of Extracare accommodation;
- Self-build or custom build enabling as part of a larger development.

5. Who can Use the Panel

5.1 LDP2 is a framework for use by the following UK public sector bodies, free of charge, to deliver schemes in Greater London only:

- The GLA Group;
- Any other Mayoral development corporations, including the Old Oak and Park Royal Development Corporation;
- Combined Authorities established under Section 103 of the Local Democracy, Economic Development and Construction Act 2009 <http://www.local.gov.uk/topics/devolution/devolution-map>
- All Ministerial and Non Ministerial UK Government Departments, including their Executive Agencies and other subsidiary bodies;
- Other parts of Central Government holding Crown Status and employing Civil Servants;
- All non-Crown Status Government Companies wholly or partly owned by Central Government Departments and their subsidiaries;
- The non-Departmental Public Bodies, other Public Bodies, Public Corporations and their subsidiary bodies sponsored by Central Government Departments which are not covered by the above categories;
- Local Authorities (located in Greater London);
- Registered Providers;
- Local Enterprise Partnerships (LEPs) https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/252793/bis-11-768-local-enterprise-partnerships-boundary-map-august-2013.pdf
- Any successor bodies to any of the above; and
- All new bodies created which fall within or are equivalent to the categories set out above.

5.2 The following link sets out details of the bodies that fall within the categories set out above and may be used as a point of reference:

<https://www.ons.gov.uk/economy/nationalaccounts/uksectoraccounts/datasets/publicsectorclassificationguide>

5.3 The GLA reserves the right to remove bodies from the list of Panel Users if they cease to exist.

5.4 To use the Panel, the land owner **must** sign an Access Agreement with the GLA; a draft of which can be obtained by emailing LDP@london.gov.uk

5.5 This agreement states that all liability arising from the use of LDP2 lies with the Panel User. Panel Users are required to enter this agreement with GLA on a project by project basis. This is to allow GLA to have full oversight of the opportunities going through the Panel and to manage the pipeline.

- 5.6 Signed up Panel Users will be asked to provide updates on their sites periodically. Panel Users are also strongly encouraged to share with GLA details of sites which may come to the Panel well in advance of any Mini-Competition starting. This is so GLA can maintain an overview of the future pipeline and coordinate the release of sites to avoid overloading the Panel at any given time. This is in the Panel User's interest; if several sites are brought to the Panel at the same time as theirs, they may not receive as strong a response as anticipated.

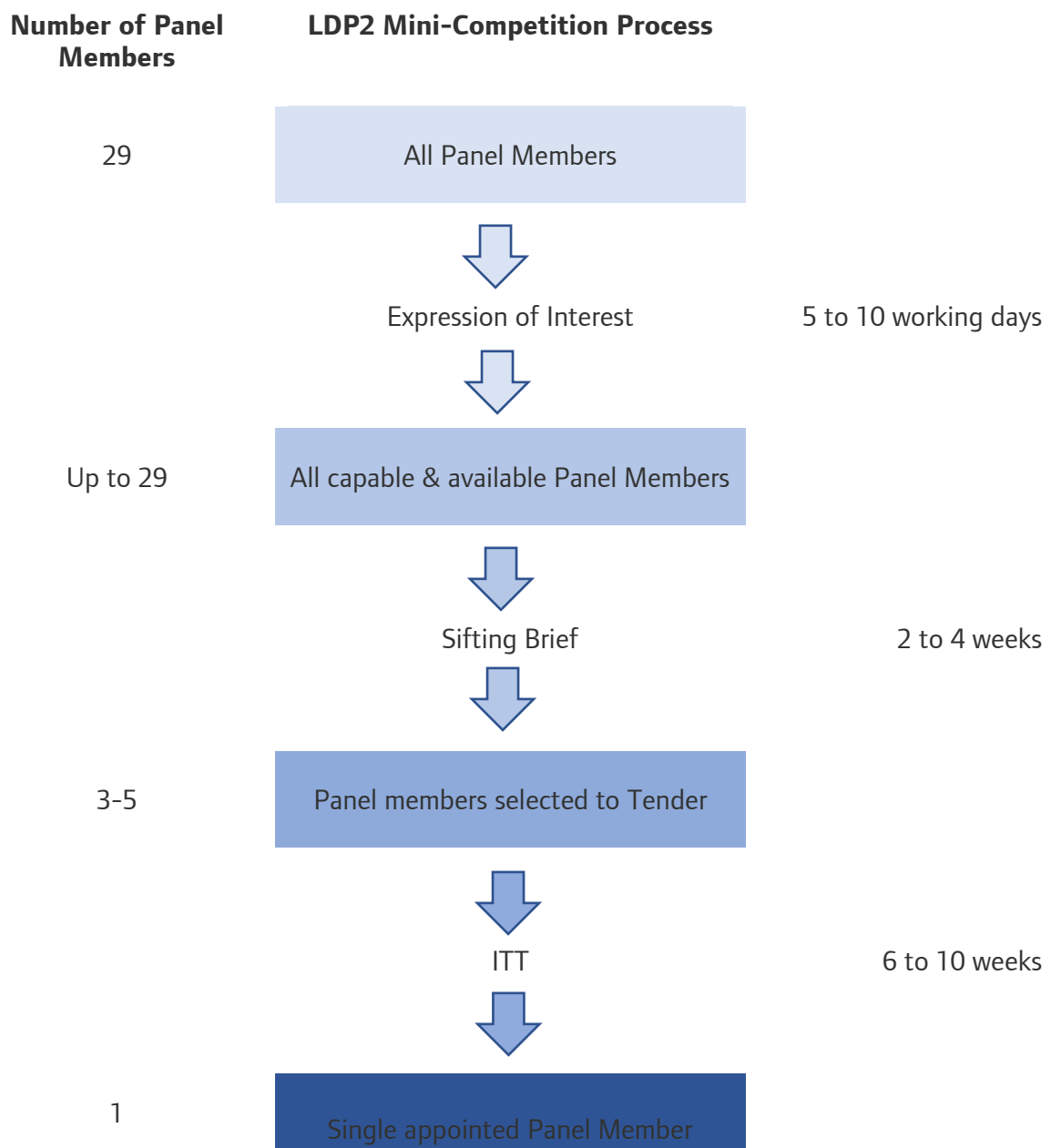
6. The Framework Agreement

- 6.1 Each Lead Panel Member has entered a Framework Agreement with the GLA. **It is vital that Panel Users read and understand the Framework Agreement**; it is the agreement which governs the operation and use of the Panel and sets out the obligations and responsibilities of Panel Members. It includes the Mini-Competition procedure, Panel management arrangements and the suite of LDP2 Call-off Contracts.
- 6.2 One of the LDP2 Call-off Contracts must be used to contract with a Panel Member following a Mini-Competition. The suite includes a standard form of Development Agreement, which itself contains a template Building Lease, Head Lease, PRS Lease and a Commercial Income Sharing Lease (for non-residential elements of a residential-led scheme).
- 6.3 For contracting opportunities, the Framework Agreement specifies the JCT design and build contract, 2016 edition (DB 2016) and the JCT standard building contract without quantities, 2016 edition (SB/XQ 2016).
- 6.4 The Call-off Contracts will need adapting as appropriate for the relevant project. The templates are necessarily generic in nature and not all provisions will be appropriate for all situations.
- 6.5 A copy of the Framework Agreement, Call-off Contracts and a set of guidance notes for using the documents will be provided to signed up Panel Users. Panel Users must take their own legal advice when using, or considering using, the LDP2.
- 6.6 The Framework Agreement also offers a range of flexibilities for Lead Panel Members when bidding in Mini-Competitions and entering into Call-off Contracts:
- A wholly owned subsidiary of a Lead Panel Member, their parent company or a wholly owned subsidiary of that parent may enter into a Call-off Contract and the Lead Panel Member (or where there is a Guarantor, the Guarantor) will guarantee the contract;
 - Two Lead Panel Members may bid jointly for projects and may both enter into a Call-off Contract, on a joint and several basis. Where either or both Lead Panel Members rely upon a Parent Company Guarantor under the Framework Agreement, the Parent Company will be required to guarantee its Lead Panel Member and therefore will need to be a party to any Call-off Contract;
 - Where a Consortium is delivering a project, the Lead Panel Member of that Consortium signs the Call-off Contract along with any Guarantor, if applicable;
 - The Framework Agreement also allows individual Consortium Members to bid for and, where successful, enter into a Call-off Contracts independently from their Consortium but **only** where:
 - The Consortium Member is a “Qualifying Consortium Member” (see Appendix 1);

- The Qualifying Consortium Member enters into a deed of covenant with the Panel User, undertaking that they will act as, and take on the responsibilities of, the Lead Panel Member;
 - A Mini-Competition begins which is identified by the Consortium as requiring only or materially only the technical capabilities of one or more of the Consortium Members; and,
 - The Lead Panel Member of the Consortium agrees to submit a response to the Mini-Competition on behalf of the relevant Qualifying Consortium Member and clearly identifies the intention that only this Member of the Consortium wishes to enter into the Call-off Contract at Sifting Brief Stage.
- 6.7 It is also envisaged in the Development Agreement that the Lead Panel Member may wish to delegate the performance of some of its obligations to a Sub-Developer. Please see Part 9 of the Development Agreement Guidance note on the key considerations in relation to Sub-Developers. Where there is a justification/rationale relating to the proposed scheme, you may wish to consider limiting the extent to which any Sub-Contractor can take forward obligations of the Lead Panel Member. This third party would need to be approved by the Panel User, and such approval could be withheld in certain circumstances (see clause 22 of the template Development Agreement). The Panel User would approve the third party as part of the Mini-Competition process.
- 6.8 Where a Sub-Developer is approved, the Panel Member would enter the Development Agreement and guarantee the delivery of the whole project. However, where appropriate, the Sub-Developer could draw down a Building Lease for a phase, subject to the Lead Panel Member guaranteeing the Sub-Developer's obligations.
- 6.9 A Joint Venture or Special Purpose Vehicle between a Panel Member and a third party is not permitted to enter into a Call-off Contract.

7. Call-off Procedure

7.1 All works and services procured through Framework Panels are subject to Mini-Competition and LDP2 is no exception to this. The Mini-Competition is the project tendering / call-off procedure required to select the most appropriate Panel Member to undertake each piece of work procured through the Panel. For LDP2, this is a three-stage process which is summarised in the diagram below. Schedule 3 of the Framework Agreement provides details and the following provides general guidance.



8. Stage 1 – Expression of Interest

- 8.1 When a Mini-Competition begins, the first communication sent out to Panel Members is the Expression of Interest (EOI) Brief. A template EOI Brief will be provided to signed up Panel Users.
- 8.2 Before any Mini-Competition is started, the scope of services required for the whole of a project must be established and this must not materially change throughout the duration of the project. It is important that the scope of the opportunity, any assumptions and any information disclosed during the three-stage Mini-Competition process are consistent, from the initial outline of the opportunity through to the award decision. A Panel Member who declined to bid in the early stages may have grounds for challenge if the opportunity significantly changes and subsequently becomes more attractive to them.
- 8.3 The EOI Brief must be sent to **all** Panel Members and should include high-level information on the project. It should ask if they are capable of delivering the project, available to undertake it and whether they are interested in bidding or not. Panel Members should be asked to give a simple ‘Yes’ or ‘No’ response, but preferably with a short statement explaining their reasons for declining.
- 8.4 It is important that the EOI Brief provides sufficient information on the project to enable Panel Members to make an informed decision on whether or not they wish to bid. As a guide, this information could include the following:
- Basic site details – address, red line plan, ownership;
 - Overview of site opportunities and constraints – e.g. known contamination, title constraints, key planning issues;
 - Known development requirements – e.g. what is to be built, unit numbers, tenure mix, phasing and any other critical parameters, assumptions or standards to be adopted;
 - The role of the Panel Member – e.g. developer taking planning and/or sales risk, or contractor building for a fixed price;
 - Services required from the Panel Member – e.g. masterplanning, obtaining planning consent, remediation, construction, sales/marketing, estate management, etc;
 - Any funding which is available, e.g. grants
 - Confirmation of which LDP2 Call-off Contract will be used and a list of any known principles or amendments which will be included in the contract¹
 - The proposed management arrangements - e.g. Panel User contacts, how to submit clarification questions, how to submit a response;
 - Site viewing arrangements;

¹ Only principles or amendments which are fixed and will not change should be included. Changing these fundamentals later in the Mini-Competition would increase the risk of challenge from Panel Members who would have otherwise bid in the Mini-Competition were it not for those principles or amendments. Note, material changes to the Call-off Contracts must not be made.

- The timescales and key milestones in the Mini-Competition;
 - The deadline for responding.
- 8.5 As a guide, Panel Members could be given five to ten working days to respond to an EOI invitation. It is up to the Panel User to decide how long to give Panel Members to respond.
- 8.6 The EOI stage is self-selecting and Panel Members may decline to bid at this stage. This is something they are entitled to do; we cannot reasonably expect all Panel Members to bid for every opportunity that is put to the Panel.
- 8.7 If some Panel Members do not respond to the initial invitation, it is advisable to contact them again, perhaps by telephone, just to confirm whether they are interested or not.

9. Stage 2 - Sifting

- 9.1. There are 29 Panel Members and if they all bid for every project, the resultant level of competition would be too high. In order to reduce the number of interested bidders to a more reasonable level, a sifting exercise should be undertaken. This is a qualitative exercise to shortlist a smaller number of Panel Members most suited to tender for the project.
- 9.2. All Panel Members who responded positively to the EOI invitation should be invited to respond to a Sifting Brief. A template Sifting Brief will be provided to signed up Panel Users.
- 9.3. The Brief should reiterate what the project is and build on the information provided at the EOI stage. Any additional project information that has become available should be shared with bidders (but note the need to be consistent). The more information and detail provided, the more robust Panel Members' responses will be.

Sifting Questions

- 9.4. The Sifting Brief should also include a series of short questions for bidders to answer. It is important to remember that this should be a relatively quick and simple exercise. It should be undertaken with a light touch, to ensure that the process is as efficient as possible and that waste is minimised for both Panel Member and Panel User.
- 9.5. The questions should be **specific to the project** and should seek to test the capabilities and experience of the Panel Members in delivering the things that are critical to the success of that particular project. It also provides the opportunity to clarify and better understand what can be delivered on a particular site.
- 9.6. The Sifting Brief should not seek to check Panel Members' general capability, because this has already been established through the LDP2 procurement process.
- 9.7. The best way to approach the drafting of Sifting Brief questions is to identify the things that are particularly important for the project and base the questions on these issues. The questions could seek to understand a Panel Member's initial approach to the site, their understanding of local issues or any other issues specific to the project.
- 9.8. The following are examples of the types of questions that are suitable for use at Sifting Brief stage:
 - Describe your strategy for dealing with the contamination identified on the site;
 - Describe your approach to refurbishing the listed building on the site;
 - Describe your approach to phasing (this question is particularly suitable for a large-scale project, where vacant possession is not available on day one or where construction access is an issue);

- Describe your approach to community/ stakeholder consultation during the development process;
 - Describe how you would achieve a particular design standard/ level of affordable housing/ start on site by a particular date.
- 9.9. These are examples only, and it is critical that the questions reflect the needs and nature of the particular project. Some considerable thought needs to be given to preparing the Sifting Brief questions.
- 9.10. It is recommended that there are no more than 10 questions and that a word limit of up to 500 words is given for each question. Be mindful of what you are asking and the short word limit; will a bidder be able to answer the question well in 500 words?
- 9.11. At Sifting stage, Panel Members should be asked to confirm the identity of the proposed counterparty to the Call-off Contract should they be successful. LDP2 offers a range of flexibilities for Panel Members in terms of the entities who can enter a Call-off Contract (see paras 6.6 to 6.9 above and paragraphs 1.4 to 1.9 of schedule 3 of the Framework Agreement).
- 9.12. The deadline for bidders to submit their responses should be made clear in the Sifting Brief. As a guide, Panel Members could be given two to four weeks to respond to the Sifting Brief. However, it is up to the Panel User to decide how long to give Panel Members to respond.

Evaluation

- 9.13. Responses to sifting questions will be evaluated and scored by the Panel User. It is for the Panel User to determine the evaluation criteria, scoring system and any weightings to be applied to particular questions. An example evaluation methodology can be found at Appendix 2.
- 9.14. Sifting questions may be given equal weighting or may be given different weightings. Questions relating to a particularly important or critical element of the project may be given greater weighting than others, to reflect the relative importance of that issue. Panel Users may also apply a threshold score to particularly important questions whereby bidders must achieve a certain minimum score to 'pass' the sift and progress to the next stage.
- 9.15. Consideration also needs to be given to the scoring scale. Panel Users may adopt a simple 1 to 5 scale, with 1 representing a very poor response and 5 representing an outstanding response. Panel Users may alternatively choose to use a geared scale, such as that shown in the example in Appendix 2. The latter methodology particularly rewards very good and outstanding responses.
- 9.16. The evaluation methodology should suit the needs of the project and must be transparent, unambiguous and clearly communicated to bidders. It should be included in the Sifting Brief.

Moderation

- 9.17. The evaluation of responses should be undertaken by subject matter experts. It is recommended that at least three experts individually assess, score and

record written feedback for the responses to each question. Once this has been done individually, the three experts should meet to discuss their scores and feedback and agree a final moderated score and written feedback for each response.

- 9.18. When the evaluation process has been completed, the Panel User should rank bidders based on their total scores and invite the top scoring bidders to the final stage of the Mini-Competition. As a guide, a maximum of 5 bidders should be invited to the final stage. However, it is up to the Panel User to decide how many bidders to take through to ITT.
- 9.19. Unsuccessful bidders should be notified and provided with clear written feedback on their Sifting Brief response. This notification should include:
- The Sifting Brief evaluation criteria;
 - The scores of the unsuccessful bidder;
 - Reasons for those scores;
 - Total Number of Sifting Brief submissions received;
 - Number of successful Sifting Brief submissions;
 - Lowest successful score;
 - Highest successful score;
 - Contact details to request further information.

Financial Due Diligence

- 9.20. As the Panel is made up of Members of differing financial size and capacity, not all Panel Members will necessarily have the financial strength to carry out all opportunities that will be offered through the Panel. Therefore, after (or as part of) the evaluation of the Sifting Brief, but before inviting the shortlisted Panel Members to the next stage, Panel Users should ensure that the shortlisted Panel Members have sufficient financial capacity to undertake the specific project.
- 9.21. At this stage, bidders may not be able to provide specific evidence of funding for the project but should, as a minimum, be asked to confirm where the funding will come from and provide some evidence to this effect. The Panel User should also undertake some financial due diligence on the shortlisted bidders to ensure their continued good standing.
- 9.22. The Panel User is also entitled to require further information and/or stipulate any conditions which it may properly require in respect of financial security or otherwise to ensure that the Panel Members (if appointed) are capable of performing the relevant Call-Off Contract. Such conditions may include:
- A requirement for the Lead Panel Member/ QCM to guarantee the observance and performance of the Proposed Delivery Partner's (e.g. an Affiliate/ QCM Affiliate company) obligations in the relevant Call-off Contract on such terms as the Authority may properly require, which

may include a guarantee or a performance bond (in either case, accompanied by a legal opinion on its enforceability);

- Such other financial security as the Panel User may require in relation to the performance of the obligations in the Call-off Contract.

Combining the Stages

- 9.23. Where the Panel User deems it appropriate, the EOI and Sifting stage can be combined into a single exercise. Panel Members could simply be asked to confirm, or otherwise, their interest, and if they are interested, they should submit their response to the Sifting Brief by a given deadline.
- 9.24. Furthermore, in the event that fewer than five Panel Members express an interest in bidding, the Panel User may choose not to undertake a Sifting Brief and move straight to the third stage.

10. Stage 3 – Invitation to Tender

- 10.1 Following evaluation of the Sifting Brief, the top scoring bidders should be invited to submit a full project specific tender (the “ITT”). As a guide, a maximum of 5 bidders should be invited to the final stage. However, it is up to the Panel User to decide how many bidders to take through to ITT.
- 10.2 At this stage, bidders are expected to prepare a detailed proposal for the project; the principles of which will be locked into the Call-off Contract between the successful Panel Member and Panel User once the Mini-Competition is complete. This is a time consuming and expensive exercise for bidders; inviting a large number of bidders through to this final stage may deter Panel Members from bidding if they perceive the level of competition at ITT stage to be too high.
- 10.3 Panel Members should be provided with an ITT Brief to guide them when preparing their tenders. The ITT Brief should reiterate and build upon the information provided at the EOI and Sifting stage, whilst maintaining consistency.
- 10.4 Any additional project information that has become available should be shared with bidders. Where appropriate, any relevant reports, surveys and plans should be provided to the bidders to help them shape their bids. Providing a comprehensive pack of information should result in more robust and less conditional tenders. A template ITT Brief will be provided to signed up Panel Users.
- 10.5 The ITT Brief should include clear instructions on how the Panel Members should structure and present their bids, including any formatting requirements, word limits and page limits. It should also include any assumptions which Panel Members are required to adopt in their tenders, e.g. regarding tenure mix, any specific quality or design parameters, or any grant or funding available.
- 10.6 It should also specify the deadline for returning ITT responses. As a guide, Panel Members could be given six to ten weeks to respond to the ITT Brief. However, it is up to the Panel User to decide how long to give Panel Members to respond. Panel Users should be mindful of the requirements they have included in the ITT Brief; where a project is particularly complex or the ITT requirements are greater than usual, Panel Members could be given a longer period to prepare their responses.

Quality/Price Weighting

- 10.7 The ITT Brief should be framed around a set of ‘quality’ and ‘price’ questions or requirements to which shortlisted Panel Members should respond. The table below sets out the elements tested and the weighting applied when the Panel was procured. This table is included as an example; the requirements can be amended to suit the project.
- 10.8 Normally, the quality requirements will be weighted between 30% and 70% of marks, as will the price element. The exact weighting of the evaluation criteria and sub-criteria to be used will be detailed within the ITT and should reflect the relative importance of the criteria to the success of the project. Panel Users may vary the weightings and criteria and may apply a minimum threshold score to particularly important questions.

Quality Requirements – 70% of marks available		
	Overview	Weighting
Master Planning Approach	Bidders were required to submit a single master plan proposal, a detailed development schedule for the site and show the process and analysis they went through to arrive at their proposal.	20%
Planning Strategy	Bidders were required to include a strategy for achieving planning consent for their proposed scheme including a worked-up programme, stakeholder engagement strategy and a risk analysis of their proposed approach.	10%
Project Management Approach	Bidders were required to set out their project management approach across the life of the project and identify their project team, consultants and contractors.	10%
Programme	Bidders were required to include a programme showing the whole-life delivery of their scheme including the pre-construction, construction and post construction phases.	5%
Marketing, Sales & Letting Approach	Bidders were required to provide an analysis of the local and regional housing market and demonstrate how their proposal responded to identified demand. A strategy for the sale/letting of the completed scheme was also required.	2.5%
Estate Management Approach	Bidders were required to include an estate management strategy for the scheme, noting any variation in the approach required for the various tenures within the scheme.	2.5%
Project Health & Safety	Bidders were required to include a description of H&S arrangements under the CDM Regulations for the pre-construction, construction and post construction phases. An H&S risk analysis was also required.	5%
Project Risk Assessment	Bidders were required to include an analysis of risk across the project as well as appropriate mitigations.	5%
Securing Finance	Bidders were required to set out how they would secure funding to deliver their scheme.	10%
Price Requirements – 30% of marks available		
Financial Offer	Bidders were required to make a single financial offer for the land (RLV based). Bidders provided a full development appraisal and their key assumptions were tested and risk rated.	30%

Financial Offers

- 10.9 When the project includes the disposal of land to the Panel Member, the Panel Member should be asked to provide a fixed financial offer for the land as part of their tender. This may be deferred and subject to overage as described in the template Development Agreement. Where the Mini-Competition is to select a contractor, the Panel Member should be asked to provide a price for the works as part of their tender.
- 10.10 The financial offer/price should be established through the Mini-Competition process and not left to be open book, or agreed through negotiation with the successful Panel Member. Establishing a firm financial bid as part of the Mini-Competition is the ideal and will minimise any procurement risk.
- 10.11 Shortlisted bidders should submit a full development appraisal and/ or cost schedule which shows how they have arrived at their financial offer for a site/ price for works. Panel Users may specify which software or tool should be used by bidders when presenting this information (e.g. Argus).
- 10.12 Panel Users should interrogate the figures and assumptions to ensure that an offer is robust and realistic. When scoring this part of a tender, Panel Users may choose to apply a risk rating to financial offers which rewards bidders who submit realistic and robust offers. Panel Users should choose the most appropriate scoring methodology for their project.
- 10.13 The figures that Panel Members provided for build costs, sales values, overheads and profit when the Panel was procured may be provided to signed up Panel Users. It is important to note that these figures are not tendered rates which Panel Members are required to adopt in Mini-Competitions. However, these figures can be used as a reference point when assessing tenders and a Panel Member may be required to provide a justification for any differences between the figures in its original Panel framework tender and the equivalent figures provided when it bids in Mini-Competitions.

Insurance

- 10.14 Insurance requirements should also be made explicit at ITT stage (or earlier in the Mini-Competition if possible). When Panel Members were appointed to the Panel, they self-certified that they held, or committed to obtaining prior to entering any Call-off Contracts:
- Employer's Liability insurance of at least £5m;
 - Public Liability insurance of at least £5m;
 - Confirmation that they will obtain Professional Indemnity Insurance and Project Insurance at the point of entering Call-off Contracts to a level suitable to the project being contracted.
- 10.15 It is the responsibility of the Panel User to ensure that the shortlisted Panel Members have the required level of insurance in place.

Evaluation

- 10.16 Tender responses should be evaluated, scored and moderated by the Panel User. As in the Sifting stage, it is for the Panel User to determine the evaluation criteria, scoring system and any weightings to be applied to particular questions.

As explored above, questions may be given equal weighting or may be given different weightings. Again, consideration also needs to be given to the scoring scale.

- 10.17 The evaluation methodology should suit the needs of the project and must be transparent, unambiguous and clearly communicated to bidders within the ITT Brief.
- 10.18 As part of the tender evaluation process, Panel Members could also be invited to present their tenders in person to the Panel User. These sessions could be used to better understand their tenders and to seek clarification on particular parts of their tenders.

Notifying Panel Members

- 10.19 Following evaluation of tenders, Panel Members should be notified by letter of the outcome of their tender. Unsuccessful Panel members will be sent a letter notifying them of the following:
- The name of the successful Panel Member;
 - The standstill period end date (if applicable);
 - The evaluation criteria;
 - The scores of the unsuccessful Panel Member;
 - Reasons for their scores;
 - The successful Panel Member's scores;
 - Narrative to explain why the preferred Panel Member scored higher marks, including the characteristics and relative advantages of the winning tender compared to the recipient's tender, subject to any known confidentiality or IPR obligations;
 - Contact details to request further information.
- 10.20 There is no clear-cut legal requirement to respect a standstill period following a Mini-Competition under the framework. However, Government guidance recommends that a standstill period should apply to Mini-Competitions in excess of the relevant EU threshold and the adoption of the standstill period (and disclosure) will reduce the risk of Call-off Contracts being declared ineffective.
- 10.21 If no challenge arises within the standstill period, the Call-off Contract will be awarded to the preferred Panel Member

11. Call-off Contract

- 11.1 Throughout the Mini-Competition, it is sufficient to confirm to Panel Members which LDP2 Call-off Contract will be used and to make Panel Members aware of any known principles or amendments which will be included in that Call-off Contract.
- 11.2 The preferred Panel Member should be provided with a copy of the project specific Call-off Contract which has been tailored to reflect the project and (if necessary) specific aspects of the winning tender. Material changes to the Call-off Contracts should not be made; they should only be tailored to reflect the project at hand. Panel Users are strongly encouraged to take their own legal advice when preparing an LDP2 Call-off Contract.
- 11.3 The template forms of Call-off Contract can be found in the Framework Agreement and these **must** be used to contract with the preferred Panel Member following a Mini-Competition. The suite includes a standard form of Development Agreement, which itself contains a template Building Lease, Head Lease, PRS Lease and Commercial Income Sharing Lease (for non-residential elements of a residential-led scheme). However, all pro forma documentation will need adapting as appropriate for the relevant development opportunity. The templates are necessarily generic in nature and not all provisions will be appropriate for all situations.
- 11.4 For contracting opportunities, the Framework Agreement specifies the JCT design and build contract, 2016 edition (DB 2016) and the JCT standard building contract without quantities, 2016 edition (SB/XQ 2016).
- 11.5 A copy of the Framework Agreement, Call-off Contracts and a set of guidance notes for using the documents will be provided to signed up Panel Users.

12. Managing Mini-Competitions

Electronic Portal

- 12.1 Panel Users may choose which electronic tendering portal to use to manage their Mini-Competitions; the GLA does not specify which portal is to be used.

Clarification Questions

- 12.2 During the entire Mini-Competition process, it is important that someone from the contracting body is available to answer any queries that the Panel Members might have. This person should have a good knowledge of the project.
- 12.3 The clarification process should be conducted on the basis of the equal, transparent and non-discriminatory treatment of Panel Members. If clarification questions are:
- Of a general nature, the Panel User should provide copies of questions, together with answers, to all bidding Panel Members; or
 - Of a specific/confidential nature, the Panel User should provide copies of questions, together with answers, only to the Panel Member seeking clarification.
- 12.4 Panel Users should endeavour to respond to questions raised via their portal within five working days. A deadline for submitting clarification questions should be stipulated in the Sifting Brief and ITT Brief (usually one week before the deadline for submitting the Sifting or ITT response).

Panel End Date

- 12.5 LDP2 expires on 8 August 2022. The GLA may extend the life of the Panel by one more year and, if it does, Panel Members and Users will be notified of the new end date. All Mini-Competitions should be completed and Call-off Contracts entered into prior to the Panel end date.
- 12.6 Works commenced during the term of the Framework Agreement may be completed after expiry of the Framework Agreement to accord with individual Call-off Contracts.

13. Soft Market Testing

- 13.1 LDP2 can be used to undertake free soft market testing and gain informal early advice on potential development proposals for a site. Signed up Panel Users may approach Panel Members to explore areas such as:
- The attractiveness of an opportunity;
 - Their experience of delivering residential-led development in that locality;
 - Perceived challenges;
 - Local market demand;
 - Development mix and phasing;
 - Development constraints;
 - Design requirements and sustainability;
 - Comment on any initial master planning or design work;
 - Viability;
 - How to improve chances of success;
 - Contract and terms;
 - Initial ideas for adding value.
- 13.2 Soft market testing can be a useful exercise to help shape an opportunity before it is tendered through a formal Mini-Competition. It also provides Panel Members with early sight of the opportunity.
- 13.3 Subject to the overriding principles of equal treatment and non-discrimination, the process can involve as many or as few of the Panel Members as is appropriate and it is up to the Panel User to decide which Panel Members to approach and how to engage with them.
- 13.4 Panel Members may be sent a short questionnaire or meetings could be set up to discuss the site face to face.
- 13.5 By holding a meeting with a number of Panel Members at once, there is good opportunity for idea generation. However, one benefit of meeting Panel Members individually is that they may be more willing to share ideas in that type of forum.
- 13.6 A site visit can be linked to the meeting and this provides a valuable opportunity for other stakeholders, for example the Local Authority, to be involved.
- 13.7 Regardless of the method chosen, Panel Users should be mindful of how much information and work they are generating for the Panel Members. The advice provided by Panel Members is free and as such, Panel Users should not be creating significant workloads for Panel Members through the soft market testing process.
- 13.8 Early stage advice and soft market testing is an informal process. Panel Members providing advice have no contractual obligation to do so and any information provided will not come with any form of warranty. Panel Members

do, however, have a vested interest in ensuring that information provided is sound and reasonable, because this will increase the chances of well-resolved and viable sites being brought to the Panel.

- 13.9 Panel Members providing early stage advice will gain knowledge and information about the site through the process, but beyond this, they should have no other competitive advantage.
- 13.10 Any intelligence gained through this process should be reviewed and where appropriate, help to shape the formal Mini-Competition documents. The formal Mini-Competition process should then commence with all Panel Members.
- 13.11 Panel Members should not draft Mini-Competition documents. It is also important that following a soft market testing exercise, when a Mini-Competition starts, any information which was shared with the Panel Members involved in the exercise is then provided to all Panel Members. This ensures parity and transparency

Appendix 1 – Qualifying Consortium Members

The following Consortium Members are “Qualifying Consortium Members” and may bid for and, where successful, enter into a Call-Off Contracts independently from their Consortium where the conditions set out in the Framework Agreement are met:

- Swan Housing Association – *of Swan Igloo Consortium*
- Igloo Regeneration Ltd – *of Swan Igloo Consortium*
- Stanhope PLC – *of Prospect House Consortium*
- Network Homes Ltd – *of Prospect House Consortium*
- Laing O’Rourke Construction Limited – *of Prospect House Consortium*
- Lovell Partnerships Ltd – *of Morgan Sindall Consortium*
- Muse Developments Ltd - *of Morgan Sindall Consortium*

These Qualifying Consortium Members submitted an independent SSQ response when the Panel was procured and they achieved the minimum score threshold required to pass the SSQ.

Appendix 2 – Example Evaluation Methodology

Score	Classification	Definition
1	Unsatisfactory response (potential for some compliance but very major areas of weakness)	Substantially poor submission: <ul style="list-style-type: none"> - limited response provided and/or - response is irrelevant/incomprehensible and/or - fails in all significant areas and/or - fails to provide detail of, or evidence to support, experience being tested.
4	Weak response (one or more areas of major weakness)	Weak submission: <ul style="list-style-type: none"> - response is insufficient and/or - response is basic with limited detail and/or - insufficient evidence provided to support the response and demonstrate that the Applicant has the required experience and/or - some reservations as to the Applicant's understanding of the competence being tested.
9	Satisfactory response (mainly meets requirements with no major concerns)	Satisfactory response: <ul style="list-style-type: none"> - overall the response meets the requirements outlined in the question and - is detailed and provides supporting evidence to demonstrate experience and - only minor reservations as to the extent of the Applicant's experience of and/or understanding of the competence being tested.
16	Very good response (fully meets requirements)	Very good response: <ul style="list-style-type: none"> - sets out a robust response that fully addresses the requirements of the question and - provides full evidence and detail to demonstrate the Applicant's experience and - provides full confidence as to the Applicant's experience and understanding of the competence being tested.
25	Outstanding response (fully meets requirements and in some areas exceeds them)	Outstanding response: <ul style="list-style-type: none"> - meets all requirements to score 16 as above and - provides or proposes additional value which exceeds the requirements in substance and outcomes in a manner acceptable to the GLA and - the response and the evidence submitted in support not only provides full confidence as to the Applicant's experience but that the Applicant excels in the area

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