

GREATER **LONDON** AUTHORITY

CALL OFF CONTRACT

FOR

PROPERTY FINANCIAL ADVISOR

REF: TfL/90748 – TASK 14

Schedule 6 - Call-Off Contract Template

Framework Number: TfL90748 – Property Consultancy & Development Framework, Lot 1A Development Consultancy, Mixed Use.

Call-Off Contract Number: Task 14 – Property Financial Advisor

THIS CALL-OFF CONTRACT is made the day of

BETWEEN:

- (1) Greater London Authority (“**the Authority**”); and
- (2) GVA Grimley Limited, a company registered in England and Wales (Company Registration Number [REDACTED] whose registered office is at [REDACTED] [REDACTED] (“**the Service Provider**”).

RECITALS:

- A. The Contracting Authority and the Service Provider have entered into an agreement dated 3rd March 2015 which sets out the framework for the Service Provider to provide certain Services to the Contracting Authority or the Authority (“**the Agreement**”).
- B. The Authority wishes the Service Provider to provide the specific Services described in this Call-Off Contract pursuant to the terms of the Agreement and this Call-Off Contract and the Service Provider has agreed to provide such Services on those terms and conditions set out in the Call-Off Contract.

THE PARTIES AGREE THAT:

1. CALL-OFF CONTRACT

- 1.1 The terms and conditions of this Agreement shall be incorporated into this Call-Off Contract.
- 1.2 In this Call-Off Contract the words and expressions defined in this Agreement shall, except where the context requires otherwise, have the meanings given in this Agreement. In this Call-Off Contract references to Attachments are, unless otherwise provided, references to attachments of this Call-Off Contract.

2. SERVICES

- 2.1 The Services to be performed by the Service Provider pursuant to this Call-Off Contract are set out in Attachment 1.
- 2.2 The Service Provider acknowledges that it has been supplied with sufficient information about this Agreement and the Services to be provided and that it has made all appropriate and necessary enquiries to enable it to perform the Services under this Call-Off Contract. The Service Provider shall neither be entitled to any additional payment nor excused from any obligation or liability under this Call-Off Contract or this Agreement due to any misinterpretation or misunderstanding by the Service Provider of any fact relating to the Services to be provided. The Service Provider shall promptly bring to the attention of the Call-Off Co-ordinator any matter that is not adequately specified or defined in the Call-Off Contract or any other relevant document.
- 2.3 The timetable for any Services to be provided by the Service Provider and the corresponding Milestones (if any) and Project Plan (if any) are set out in Attachment 1. The Service Provider must provide the Services in respect of this Call-Off Contract in accordance with such timing and the Service Provider must pay liquidated damages in accordance with this Agreement of such an amount as may be specified in Attachment 1 provided always that the Service Provider is not responsible for and shall not be liable to pay liquidated damages in respect of any delays caused solely by any breach or negligent performance of any of its obligations under this Call-Off Contract by the Authority. The Service Provider shall be liable for the ongoing costs of providing Services in order to meet a Milestone.
- 2.4 The Service Provider acknowledges and agrees that as at the commencement date of this Call-Off Contract it does not have an interest in any matter where there is or is reasonably likely to be a conflict of interest with the Services provided to the Authority under this Call-Off Contract.

3. CALL-OFF TERM

This Call-Off Contract commences on the date of this Call-Off Contract or such other date as may be specified in Attachment 1 and subject to Clause 4.2 of this Agreement, shall continue in force for the Call-Off Term stated in Attachment 1 unless terminated earlier in whole or in part in accordance with this Agreement.

4. CHARGES

Attachment 2 specifies the Charges payable in respect of the Services provided under this Call-Off Contract. The Charges shall not increase during the duration of this Call-Off Contract unless varied in accordance with this Agreement. The Service Provider shall submit invoices in accordance with this Agreement and the Charges shall be paid in accordance with this Agreement.

5. LIMITATION OF LIABILITY

Attachment 1 specifies any limitation of liability applicable to this Call-Off Contract.

6. CALL-OFF CO-ORDINATOR AND KEY PERSONNEL

The Authority's Call-Off Co-ordinator in respect of this Call-Off Contract is named in Attachment 1 and the Service Provider's Key Personnel in respect of this Call-Off Contract are named in Attachment 2.

This Call-Off Contract has been signed by duly authorised representatives of each of the Parties.

SIGNED

For and on behalf of the Greater London Authority

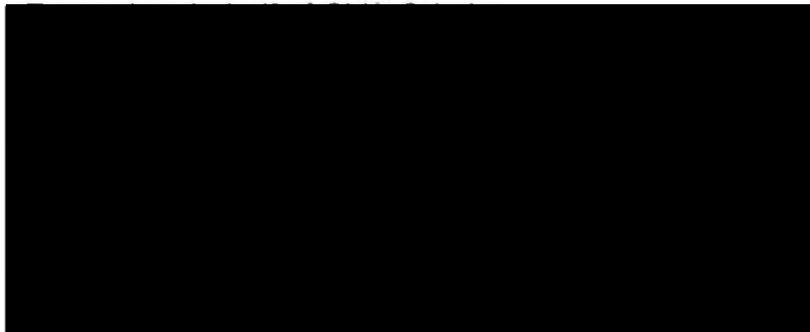
Signature: _____

Name: _____

Title: _____

Date: _____

SIGNED



Attachment 1

Royal Albert Dock Business Plan & Financial Model Review

1. Background

In May 2013 the Greater London Authority (GLA) entered into a development agreement with ABP (London) Investment Limited to deliver an employment led development on the Royal Albert Dock site, Newham, London.

Under the development agreement ABP have to submit an annual Business Plan and Financial Model that requires GLA approval. This has been submitted and the GLA requires an external review to verify that the inputs and model are realistic and to highlight any areas of concern that we should raise with ABP.

Prior to any land being drawn down ABP are required to submit a Phase 1 Business Plan which will include an updated Financial Model. This will also need to be reviewed upon receipt to ensure it is credible and sound. It should also allow the GLA to establish if the Phase is likely to generate any affordable housing liability, which is triggered if the phase generates an excess profit on cost.

2. Planning

In July 2014 ABP secured resolution to grant planning permission on the 4.7m sqft hybrid application. 14/00618/OUT <https://pa.newham.gov.uk/online-applications/applicationDetails.do?activeTab=documents&keyVal=N3AMZOJY06V00>

S106 discussions are close to conclusion and ABP are working towards the drawdown of the first phase of development towards the end of 2015.

The Outline Component of the application comprises a comprehensive business-led mixed used development including a maximum of 374,067 sq. m (GEA) (excluding maximum basement of 47,417 sq. m (GEA)) of floorspace for the following uses:

- Business use (Use Class B1) up to 256,757 sq. m (GEA);
- Retail, financial and professional services, food and drink uses, community and cultural, and assembly and leisure uses (Use Classes A1, A2, A3, A4, A5, D1 and/or D2) up to 9,839 sq. m (GEA) of flexible floorspace
- Residential uses (Use Class C3) up to 86,891 sq. m (GEA) including ancillary facilities of 14,202 sq. m not exceeding 845 residential units;
- Car parking structures and energy centre (Sui Generis Use) 20,580 sq.m (GEA).

The Detailed Component of the application includes detailed approval for a total 63,118 sq. m (GEA) of floorspace comprising:

- Business (Use Class B1) up to 48,986 sq. m (GEA),
- Serviced apartments (Sui Generis Use) up to 8,565 sq.m (GEA) not exceeding 180 serviced apartments,

- Retail, financial and professional services, food and drink uses, community and cultural, and assembly and leisure uses (Use Classes A1, A2, A3, A4, A5, D1 and/or D2)
- up to 5,567sq. m (GEA) of flexible floorspace,
- Temporary car park (up to 330car parking spaces) hard standing (Sui Generis Use) and temporary energy centre (Sui Generis Use)
- Development and the change of use of the existing Grade II Listed Dock Manager's Office building to a leisure use (Use Class D2) and, the change of use of the Grade II Listed Central Buffet building to a restaurant use (Use Class A3/A4).

3. Requirement

This is a two stage process:

Stage 1. Immediate requirement – concluded 10th June 2015

Stage 2. Estimated summer / autumn 2015 prior to draw down of Phase 1 land.

Stage 1. - Review of Annual Business Plan & Financial Model

To provide the GLA with a high level and succinct report reviewing the Annual Business Plan & Financial model and providing comment on any areas that require further attention. Specific focus should be on Phase 1. The financial model has been provided to the GLA as a bespoke development appraisal model based in Excel. The key areas of the Business Plan on which comment is sought are as follows:

Financial Model

To review the Excel based Financial Model, to establish / assess any significant concerns. Again with a specific focus on Phase 1.

Viability

To assess the financial inputs which are set out in the financial model.

The assessment should cover high level review of:

- Rents, yields & sales values on office, retail & residential sales values and appropriate project returns. Comment to be provided on the inputs in the context of the current market.
- High level assessment of costs against benchmarks, with any anomalous costs identified.
- Sensitivity analysis on key inputs such as build cost & rent.

Funding

Review funding strategy for Phase 1 within current international funding environment & context and provide professional opinion of risk of proposed approach.

Stage 2 - Review of Phase 1 Business Plan & Financial Model

Provide GLA with a succinct report that builds upon the previous review. Developer is to submit a Phase 1 Business Plan which will be a refinement of the Annual Business Plan prior to drawdown of land. Report to review / comment on all elements mentioned as part of Stage 1.

This stage will require a more in-depth analysis of the financial model and bidders should propose how this finer grain review would be undertaken.

Attachment 2

Proposal

GVA Grimley Ltd Tender Proposal with all commercials and technical information. The services will be provided based upon what GVA have stated in their proposals in the embedded document.



Adobe Acrobat
Document

Property &
Financial Advice



Greater London Authority

Royal Albert Dock Business Plan & Financial Model
Review

1. Introduction

1.1. GVA Financial Consulting (GVAFC) is pleased to submit this proposal to Greater London Authority to provide financial and property support to assess the financial viability of the annual business plan and forthcoming Phase 1 business plan to be put forward by APB Investment Limited in relation to the development at the Royal Albert Docks site.

1.2. In order to meet your requirements, we have selected a bespoke team of finance, development and planning experts, who have experience of providing strategic property and finance support to projects of this nature. Our team has extensive experience in appraising and developing solutions for major regeneration and development projects and will bring the necessary insight, experience and innovation to meet your requirements.

2. Introducing GVA Financial Consulting

2.1. GVA Financial Consulting is a market leading team of specialist financial and economic advisers, providing bespoke advice across all aspects of the built environment from strategy development and funding to delivery and management. GVA Financial Consulting specialises in negotiating development agreements and structuring joint ventures. We sit within the wider GVA organisation, and are able to call on property and regeneration professionals across 12 UK offices.

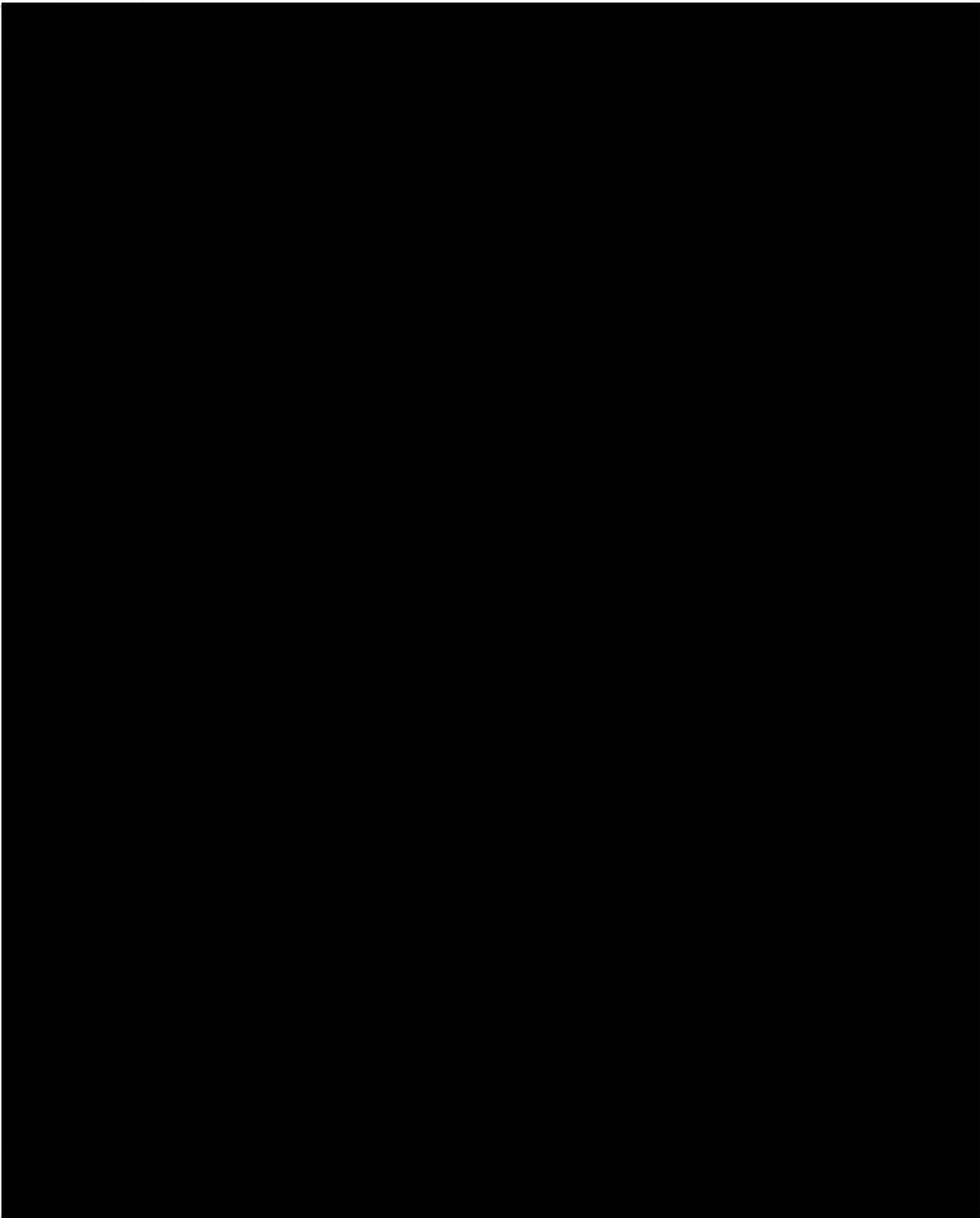
2.2. We are committed to the very highest professional standards. Our team includes Chartered public finance accountants, FCA regulated experts in structured finance, and market leading financial modellers. Indeed you can take peace of mind in that GVA Financial Consulting Limited is registered and authorised by the Financial Conduct Authority (FCA).

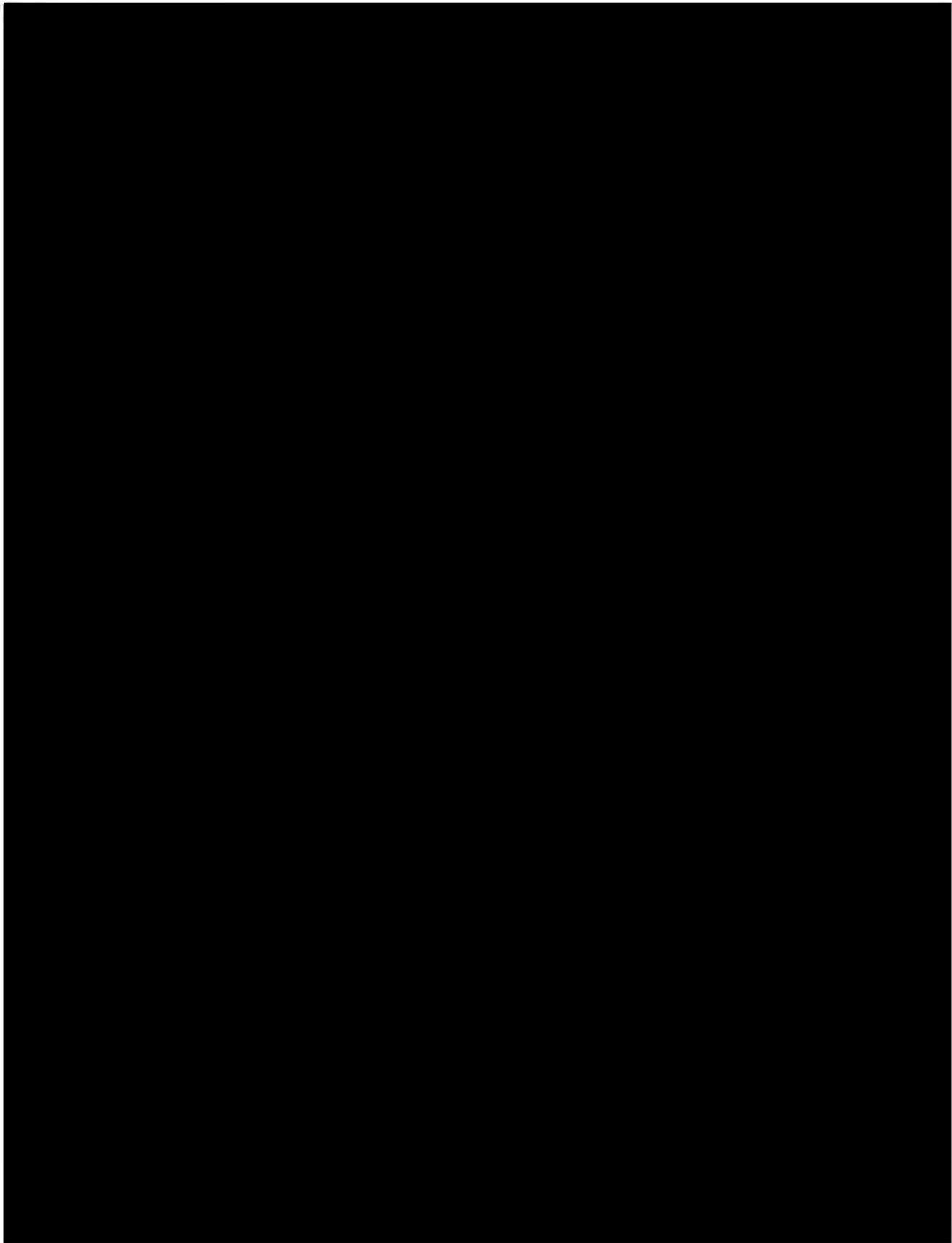
2.3. We have included within this proposal the experience and track record of the team as well as our methodology for the review. Having regard for the brief, the remainder of this proposal is structured as follows:

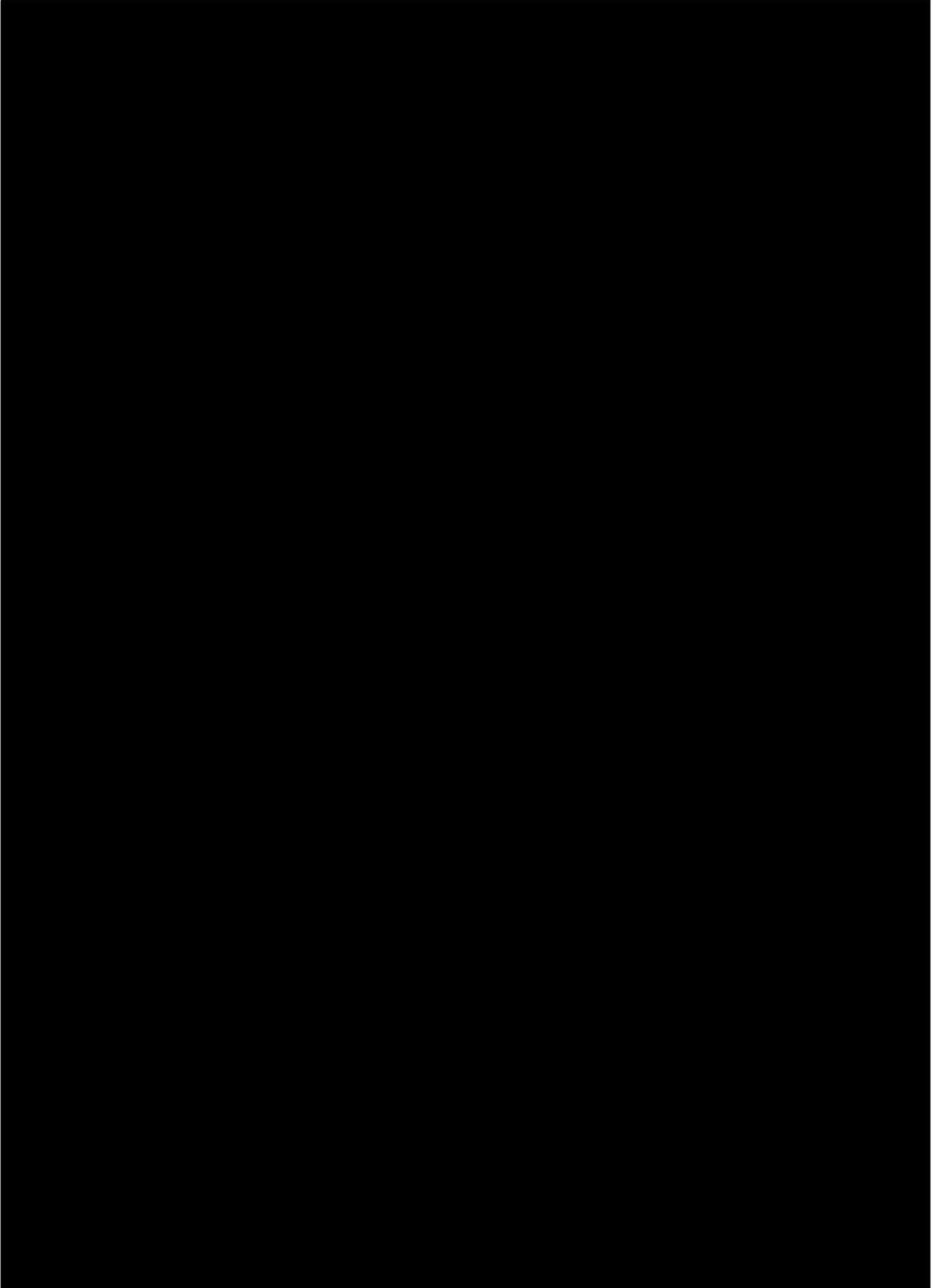
- **Section 3** – Provides our approach to undertaking the work
- **Section 4** – Sets out the proposed team and describes our experience and expertise;

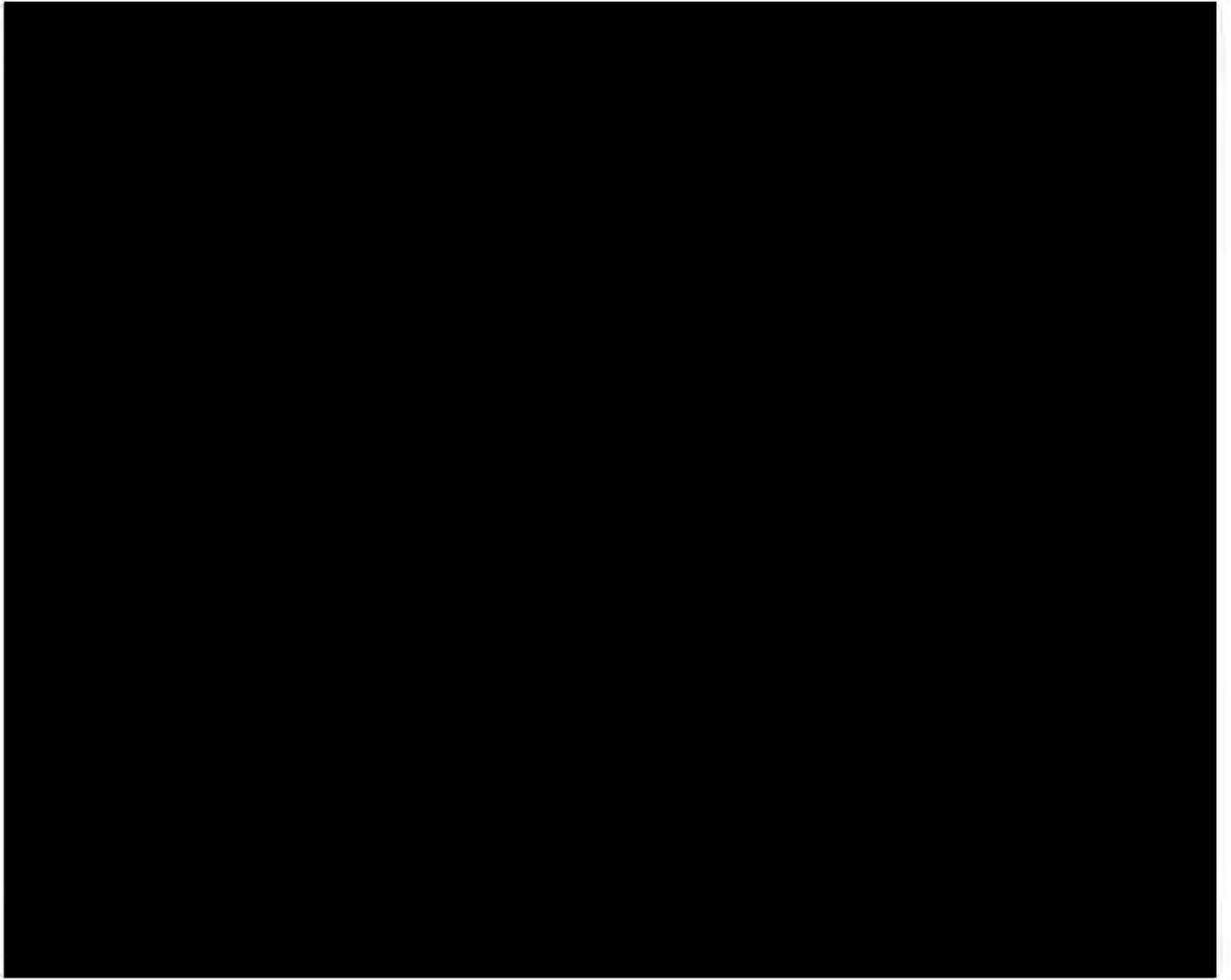
- **Section 5** - Sets out our feel proposal;
- **Appendices** – Project Plan, Team Contact details, CVs

3. Our Approach







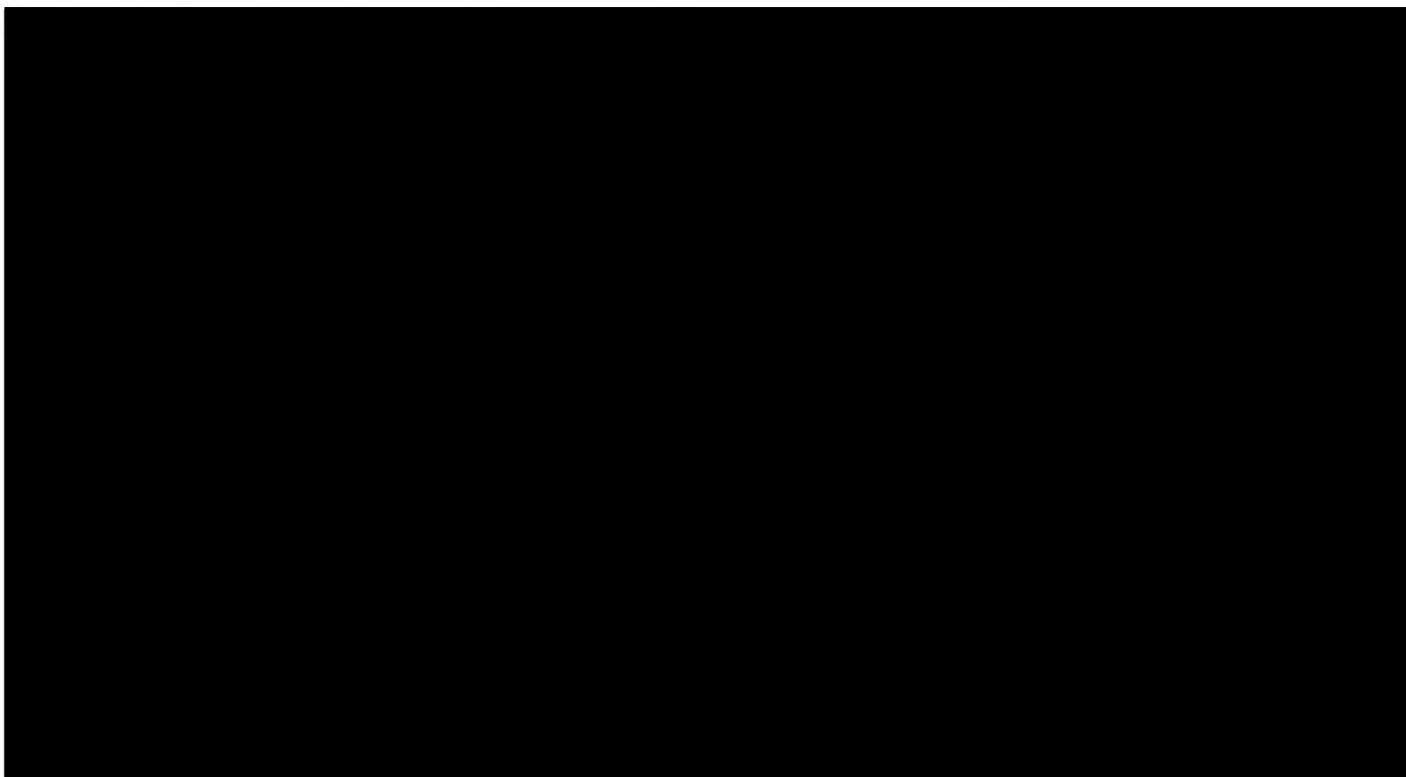


4. Experience and Expertise

4.1. GVA has put together a multi-disciplinary team to work through the assessment of financial viability of the APB business plan. The team is drawn primarily from our Financial Consulting, Development and Regeneration teams so as to provide the best possible skills and experience in meeting the challenges of this review.

Our team

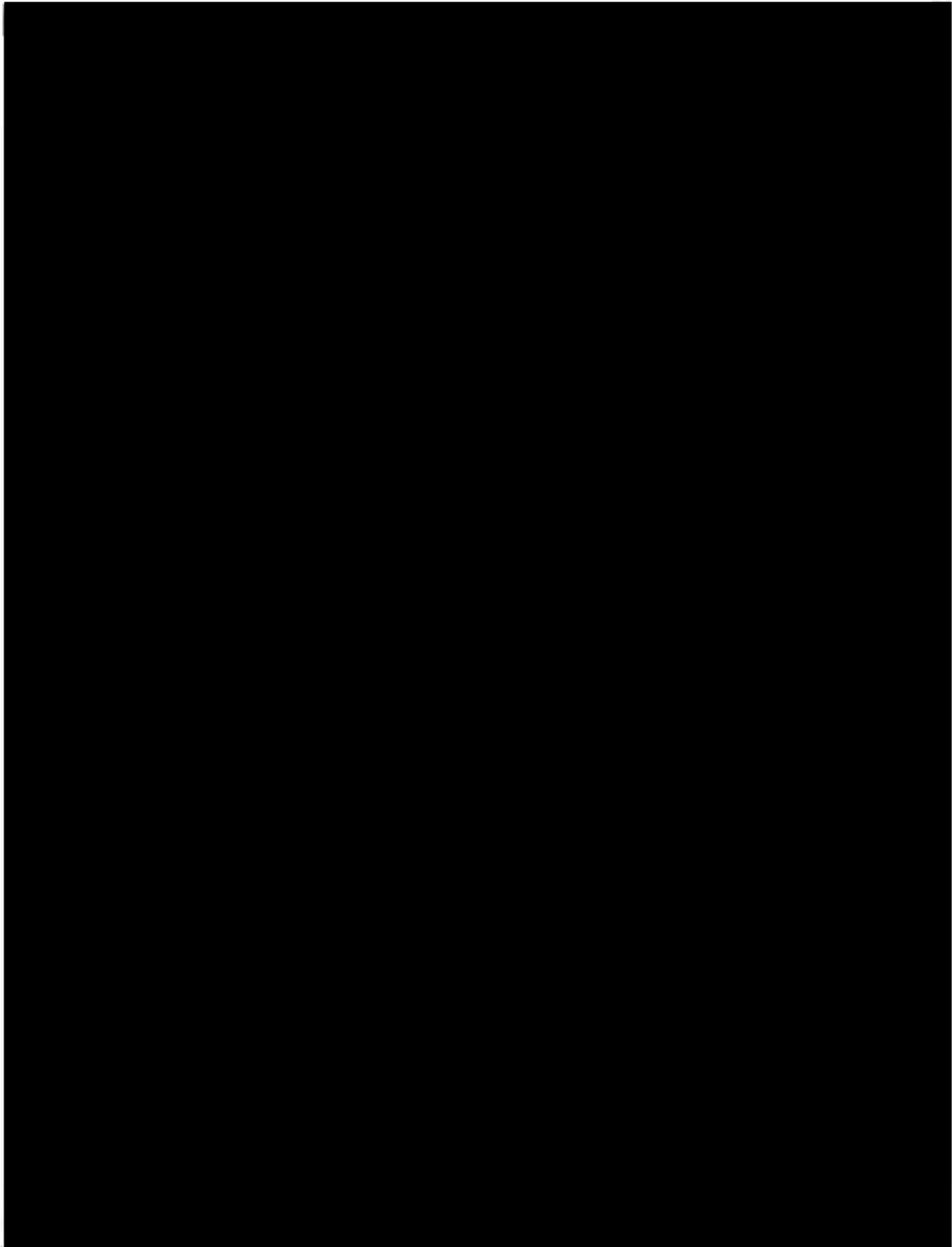
4.2. The team will be structured as per the diagram below:

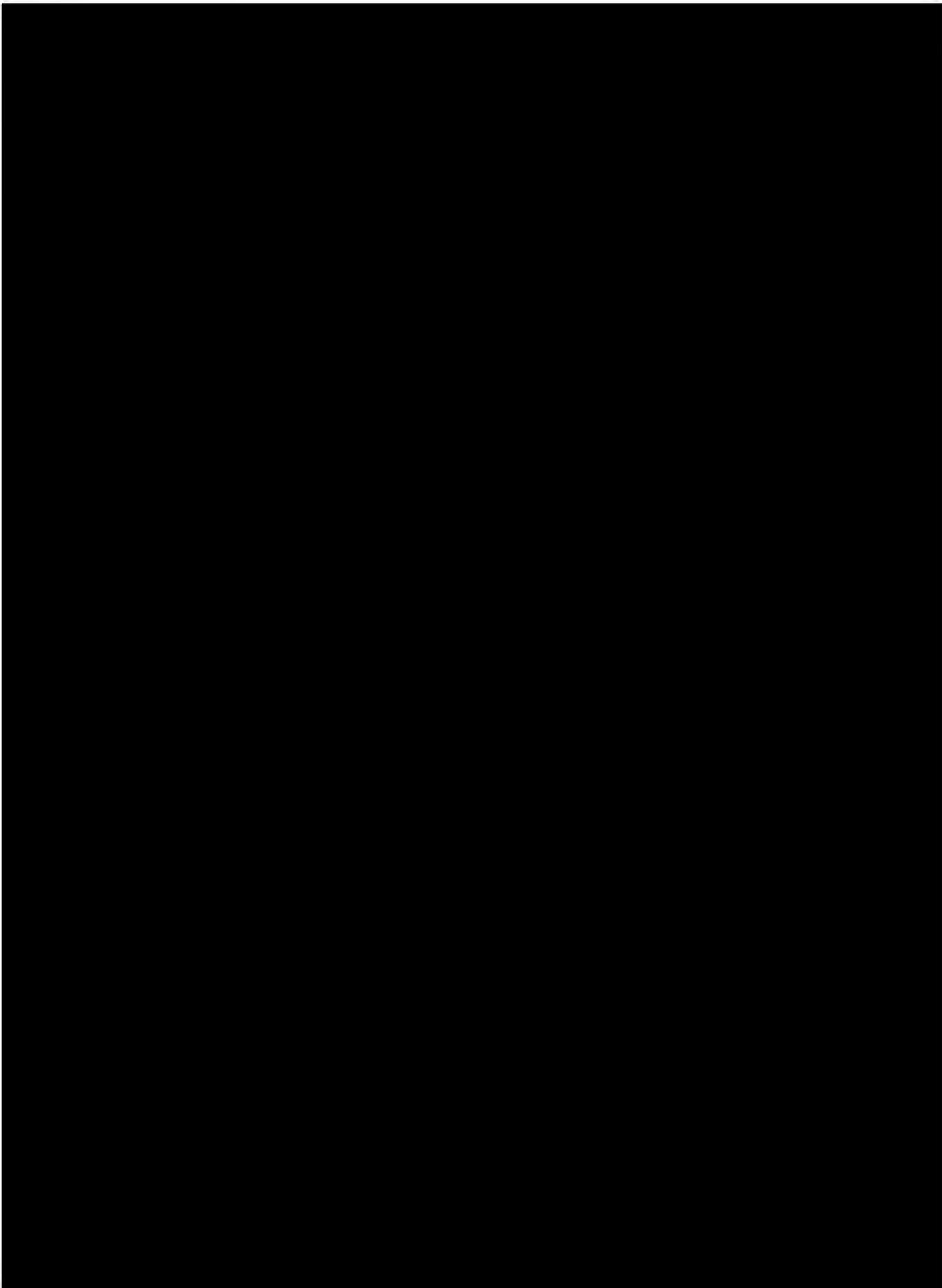


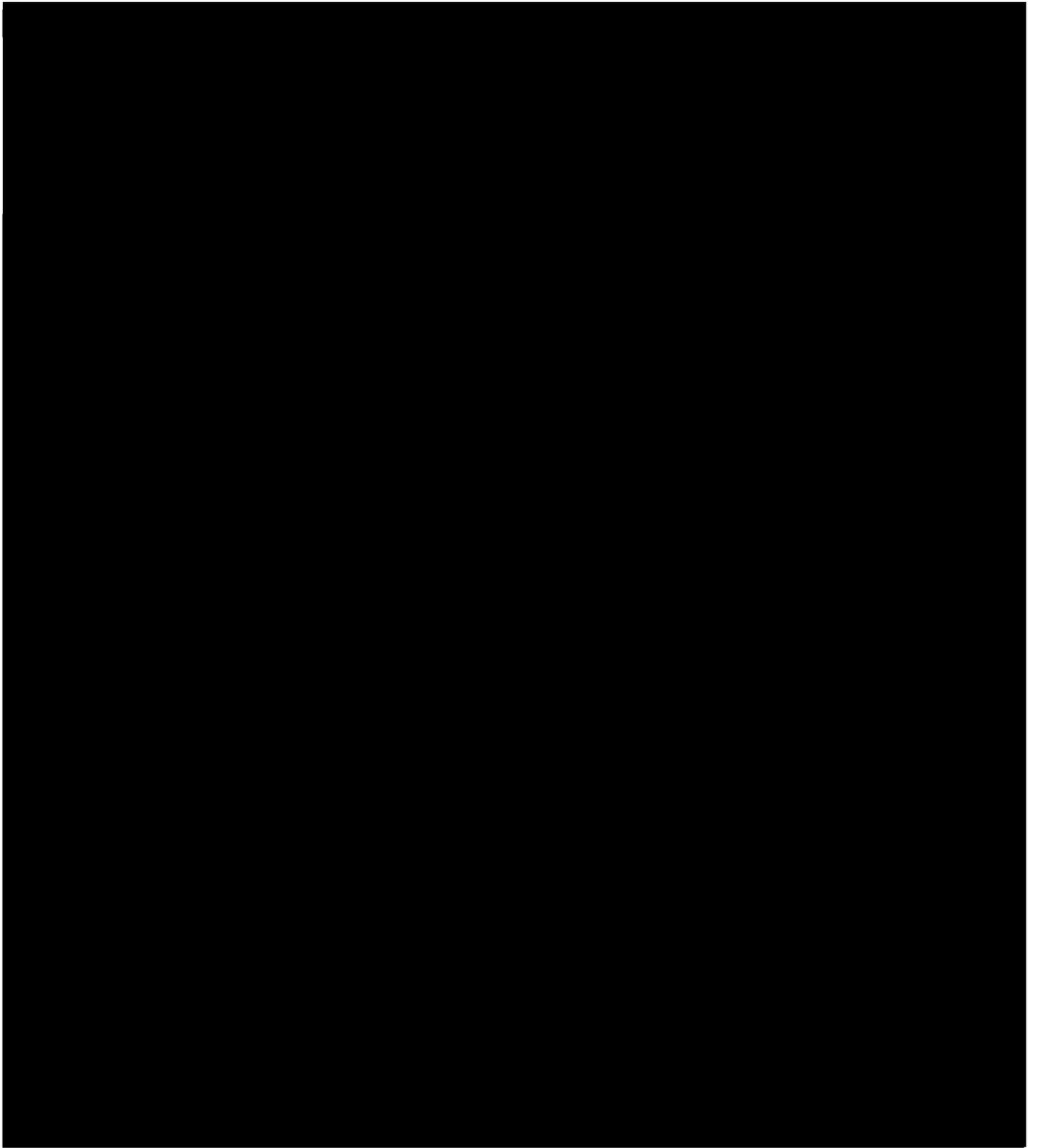
4.3. [REDACTED] is the lead Director overseeing the project. He is an experienced financial adviser with a track record for producing, reviewing and auditing financial models for large scale mixed use, commercial and residential developments. [REDACTED] background is in the private sector banking and development market, he has created financial models for Land Securities on multiple development sites for The MoD and local authorities within an overall portfolio, as well as complex joint ventures for Taylor Wimpey and several fund and development models. Examples of models that [REDACTED] has audited include Croydon's Urban Regeneration Vehicle and Barking and Dagenham's Local Housing Company.

- 4.4. [REDACTED] has 25 years' experience in development and valuations. He is a registered Valuer. [REDACTED] advises both public authorities and private companies. Within the last three years he has advised the GLA, Transport for London and many local authorities on their landholdings. His experience includes disposals, acquisitions, valuations, financial viability, planning applications and agreements, compulsory purchase, partnership/joint ventures/collaboration agreements, CIL viability assessments and affordable housing assessments. [REDACTED] will provide the development viability and valuation advice necessary for this brief.
- 4.5. [REDACTED] an experienced and expert modeller. He creates bespoke financial models that underpin a great deal of our work with local authorities, other public sector bodies and private sector clients. His models are developed for specific purpose, be that high level models to support initial appraisal or detailed cash flow and forecasting models to simulate various types of funding strategies. [REDACTED] has supported the creation of several joint venture partnerships; his work including the forecasting of funding requirements to establishing optimal capital structures, modelling cash flows and ultimately to establish profit shares for each partners using promote incentive processes. He has worked with a number of clients to model their PRS aspirations including the London Boroughs of Brent and Enfield and the HCA's build to rent scheme.
- 4.6. [REDACTED] is a CIPFA qualified accountant who specialises in public sector funding and financial appraisals. Having joined GVAFC recently from Barking and Dagenham Council, Ishdeep has in-depth knowledge of carrying out financial reviews and led several due diligence projects assessing the financial viability of proposals from private contractors to provide services to the Council. [REDACTED] was also involved in creating Barking and Dagenham's 30 year HRA business plan to fund on going HRA investment and maintenance of the Councils housing stock.
- 4.7. [REDACTED] joined GVA in September 2014 as a Graduate Surveyor. [REDACTED] works in the Development, Regeneration and Planning team at GVA. Her role includes assisting in a number of development consultancy projects including viability assessments, valuation, and development feasibility studies. [REDACTED] works with both private and public sector clients.

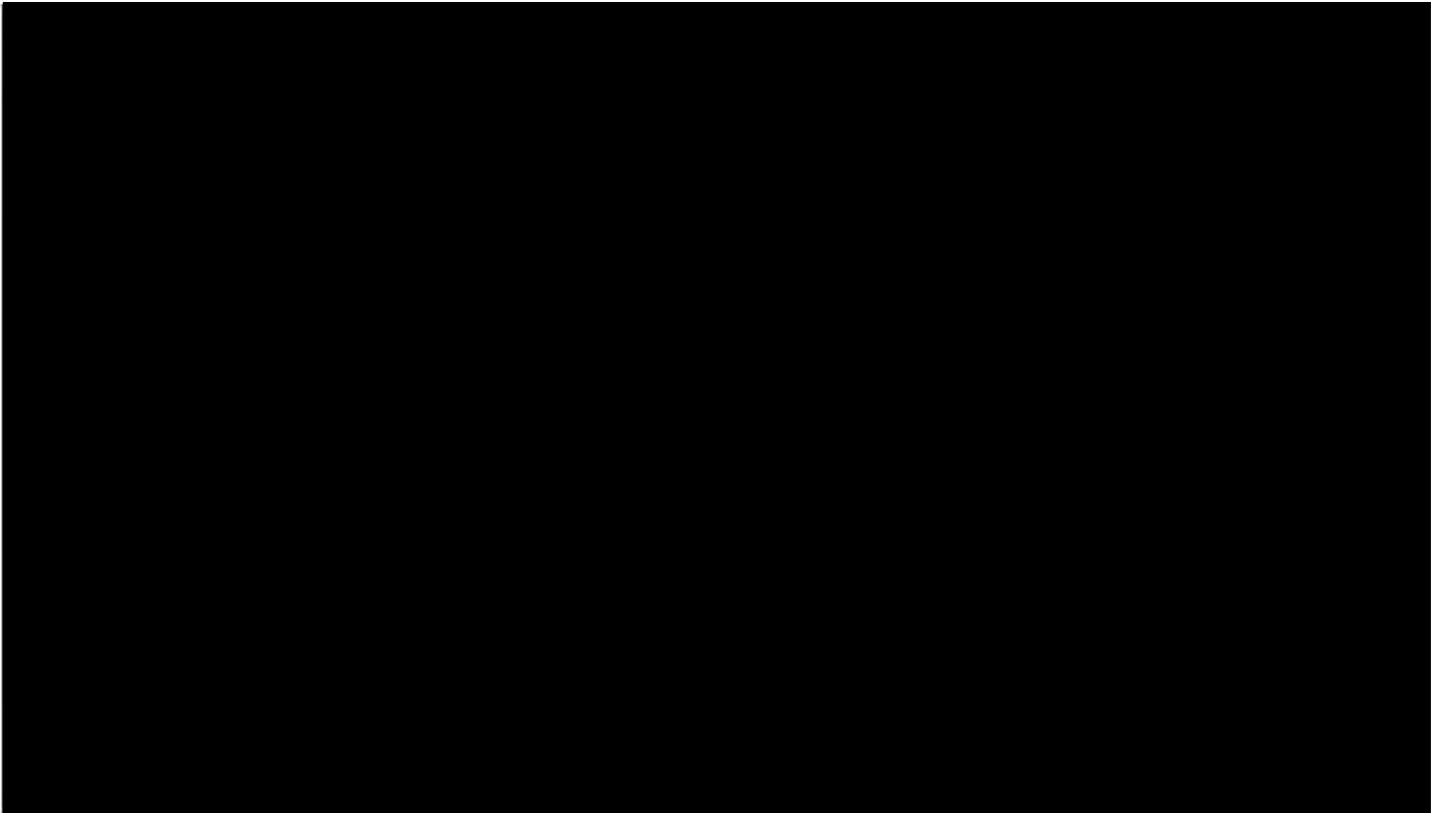
Examples of relevant projects



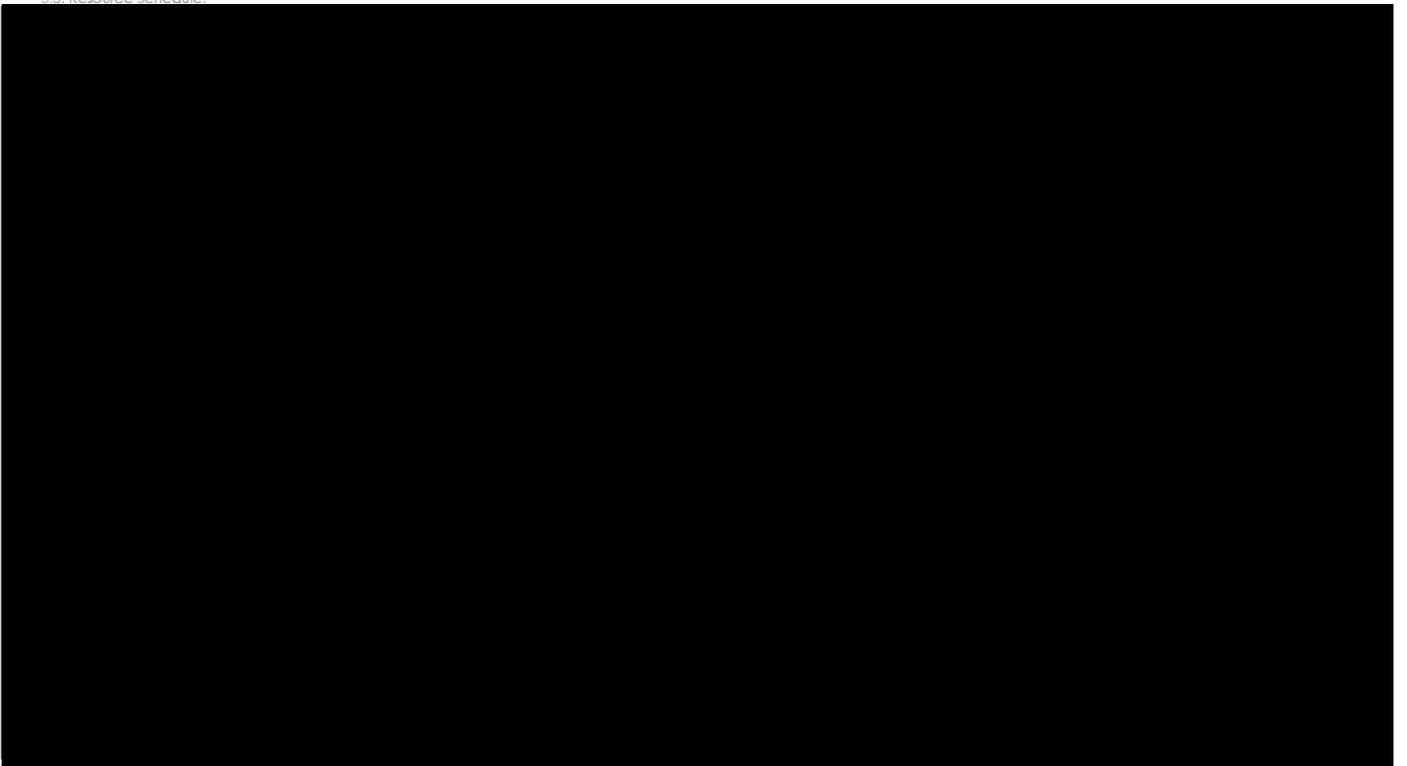




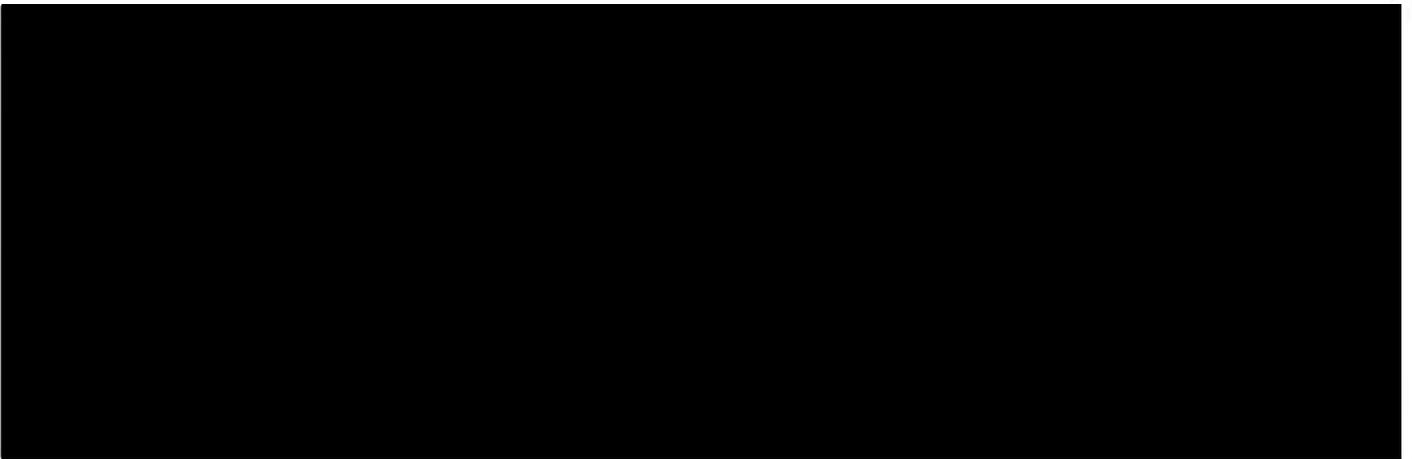
5.2. Breakdown of fees between the two Stages:



5.3. Resource Schedule:

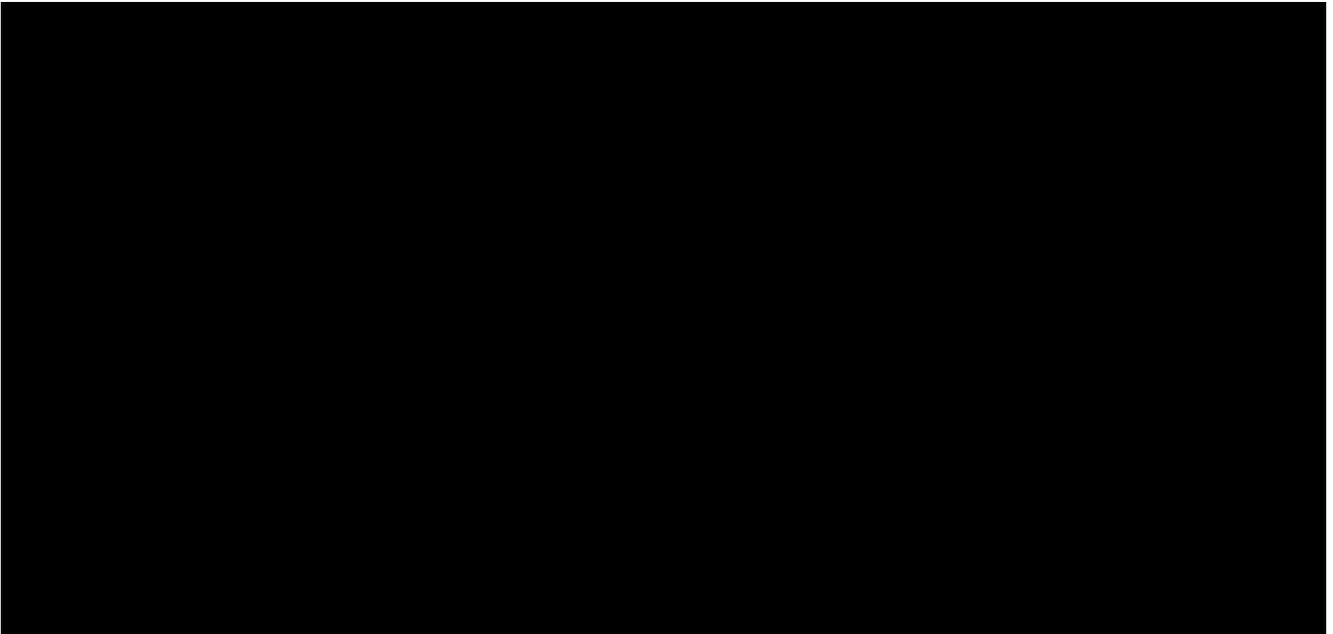


Appendix 1 - Project Plan Stage 1

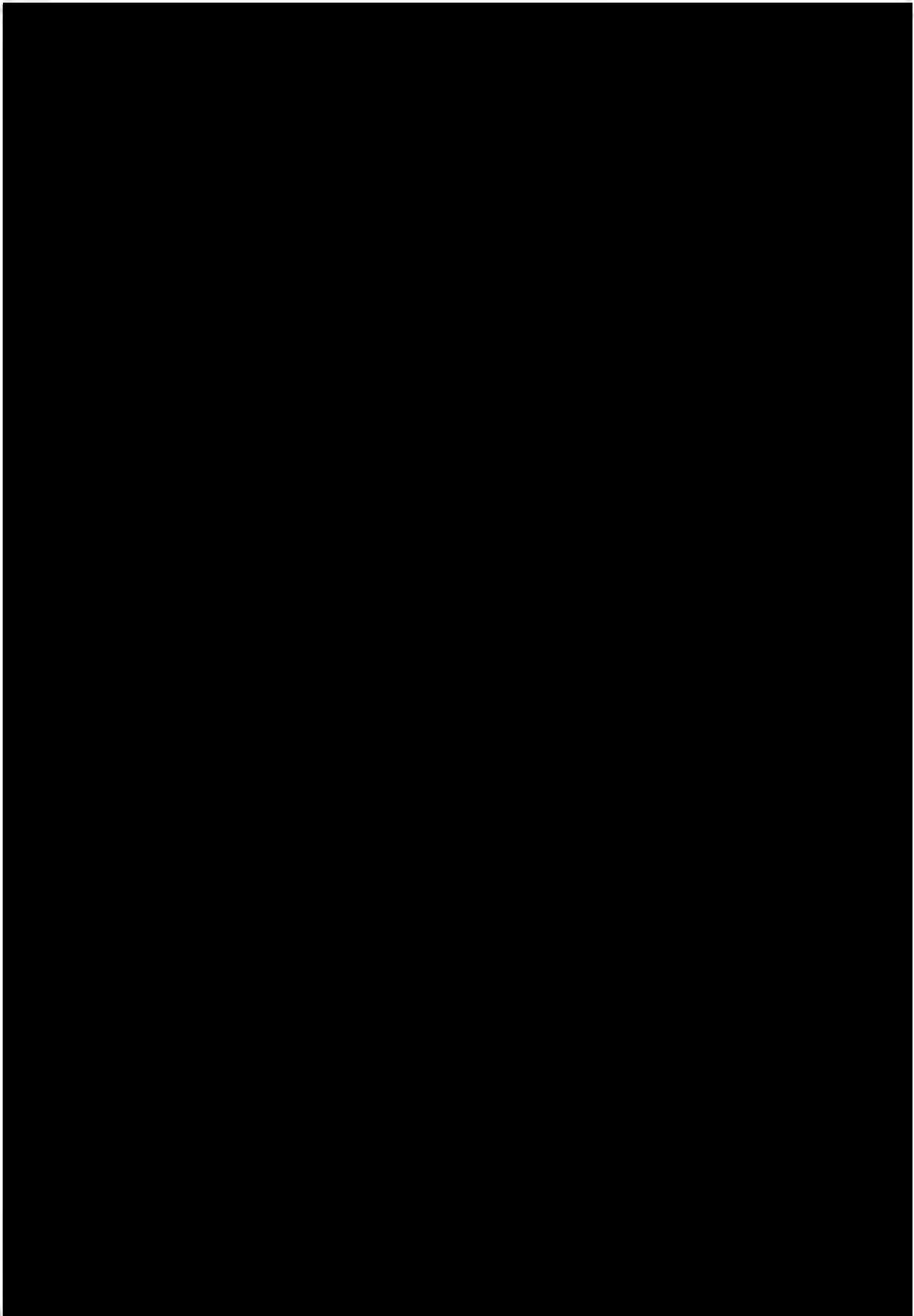


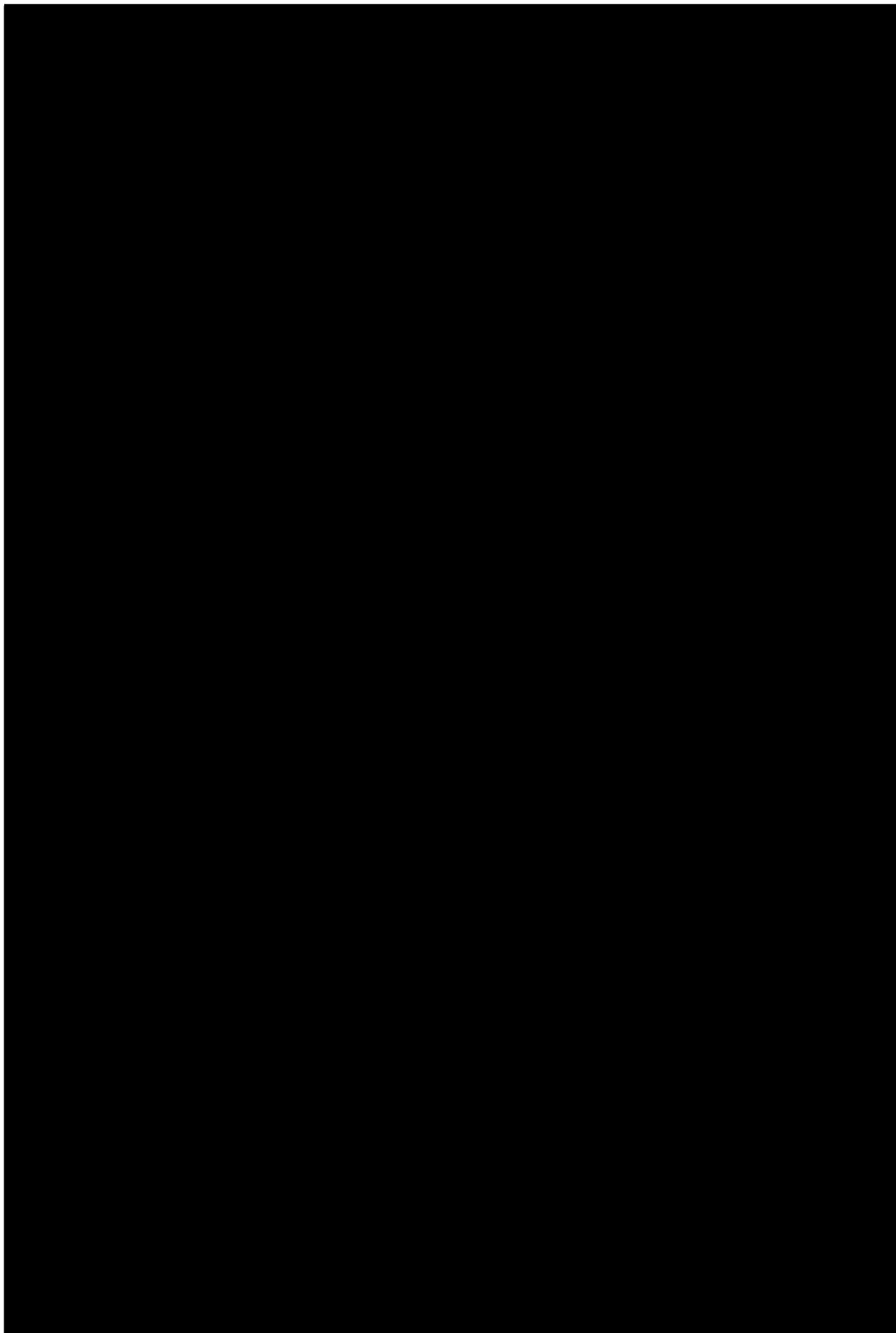
A timeline for completion of Stage 2 will be agreed with the GLA in the autumn when the Phase 1 business plan and financial model is submitted by APB

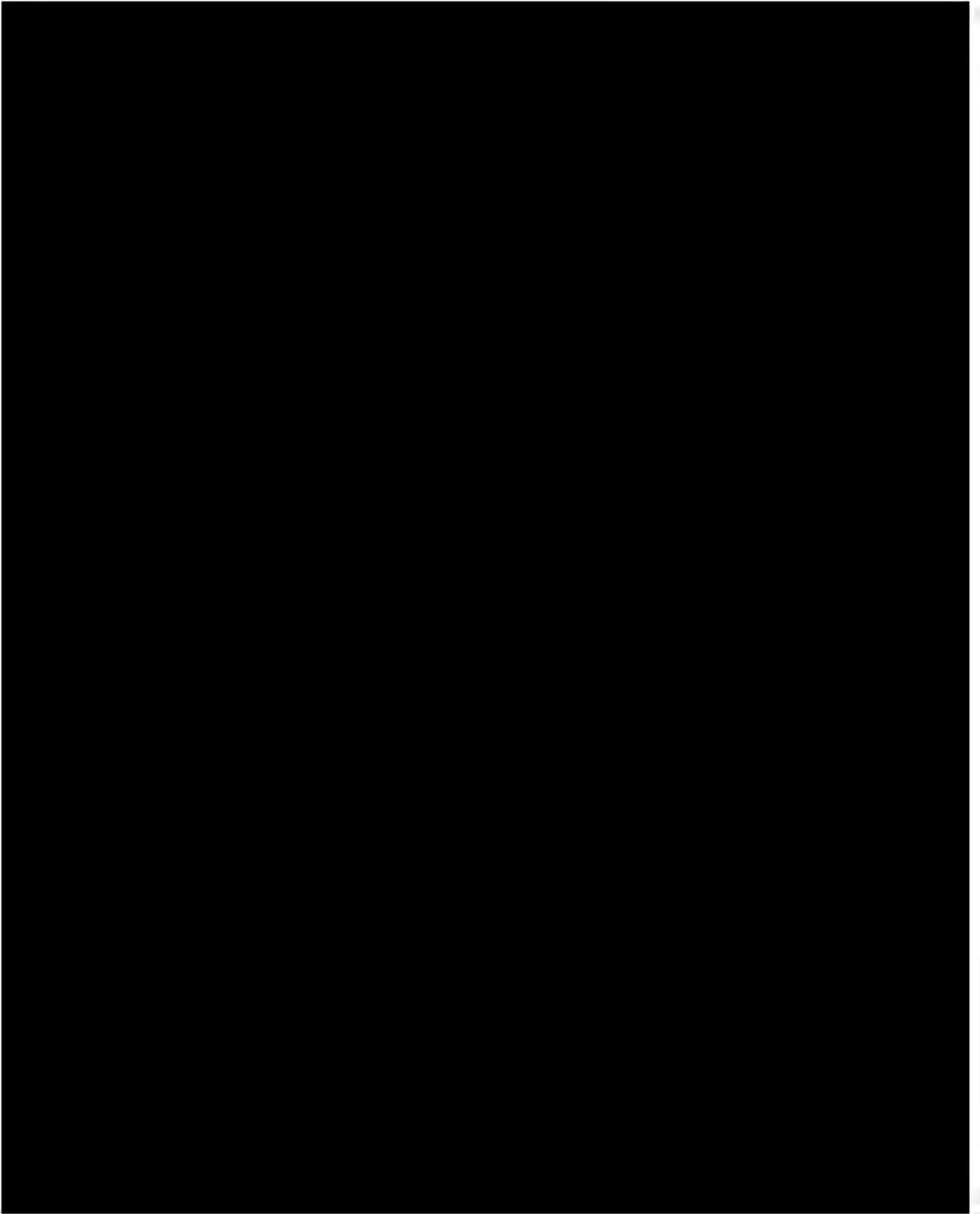
Appendix 2 – Contact Details

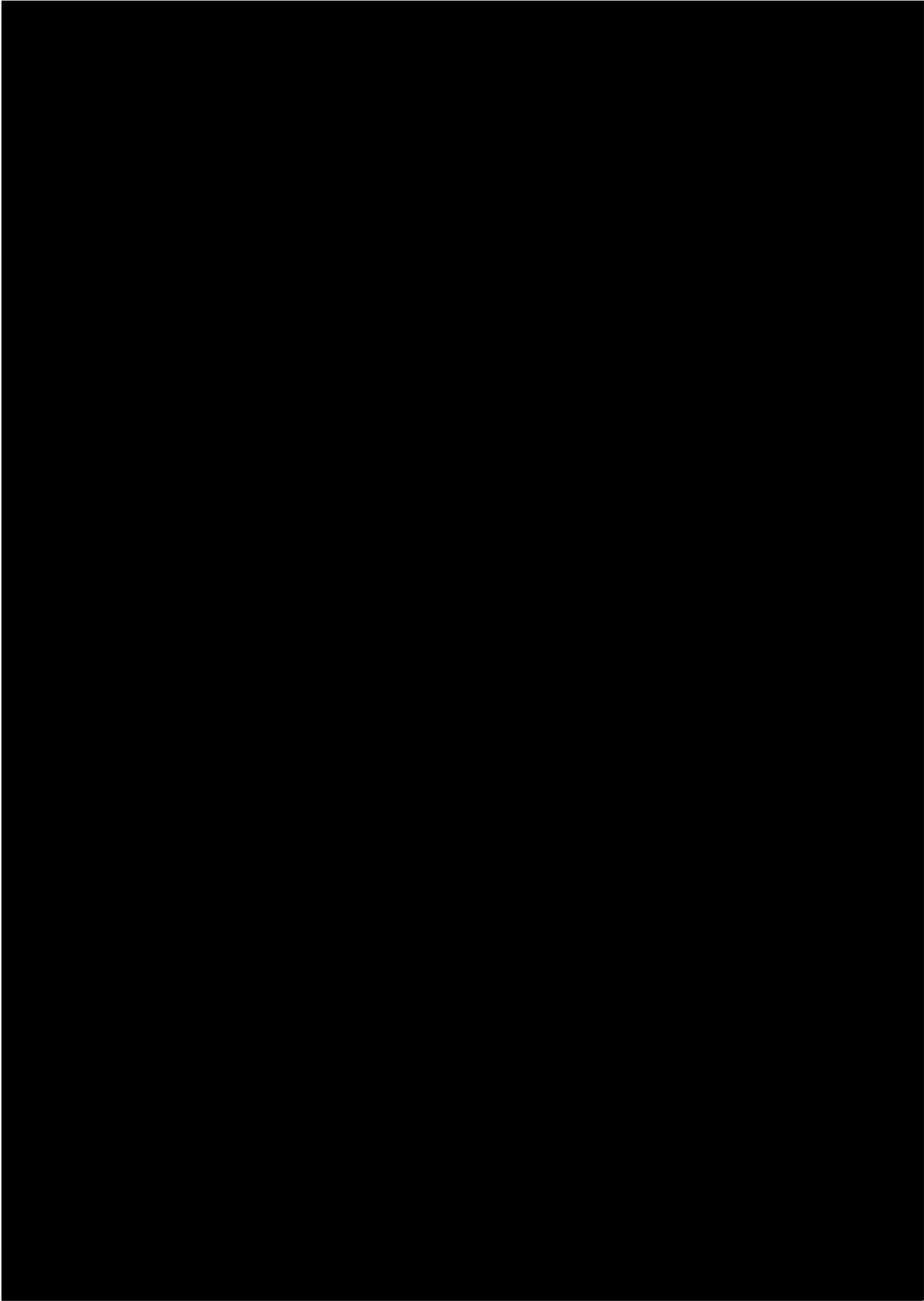


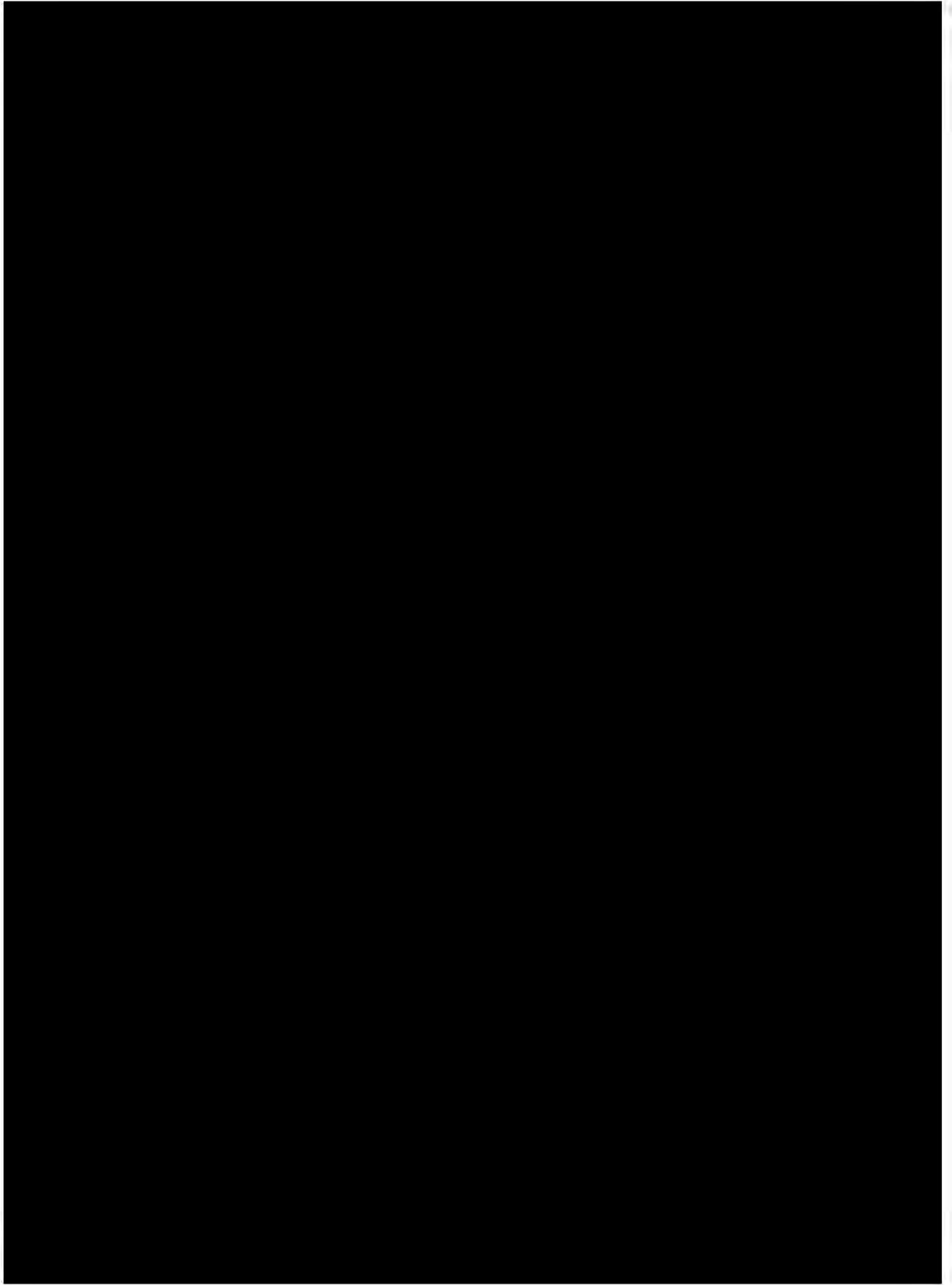
Appendix 3 – Team CV's

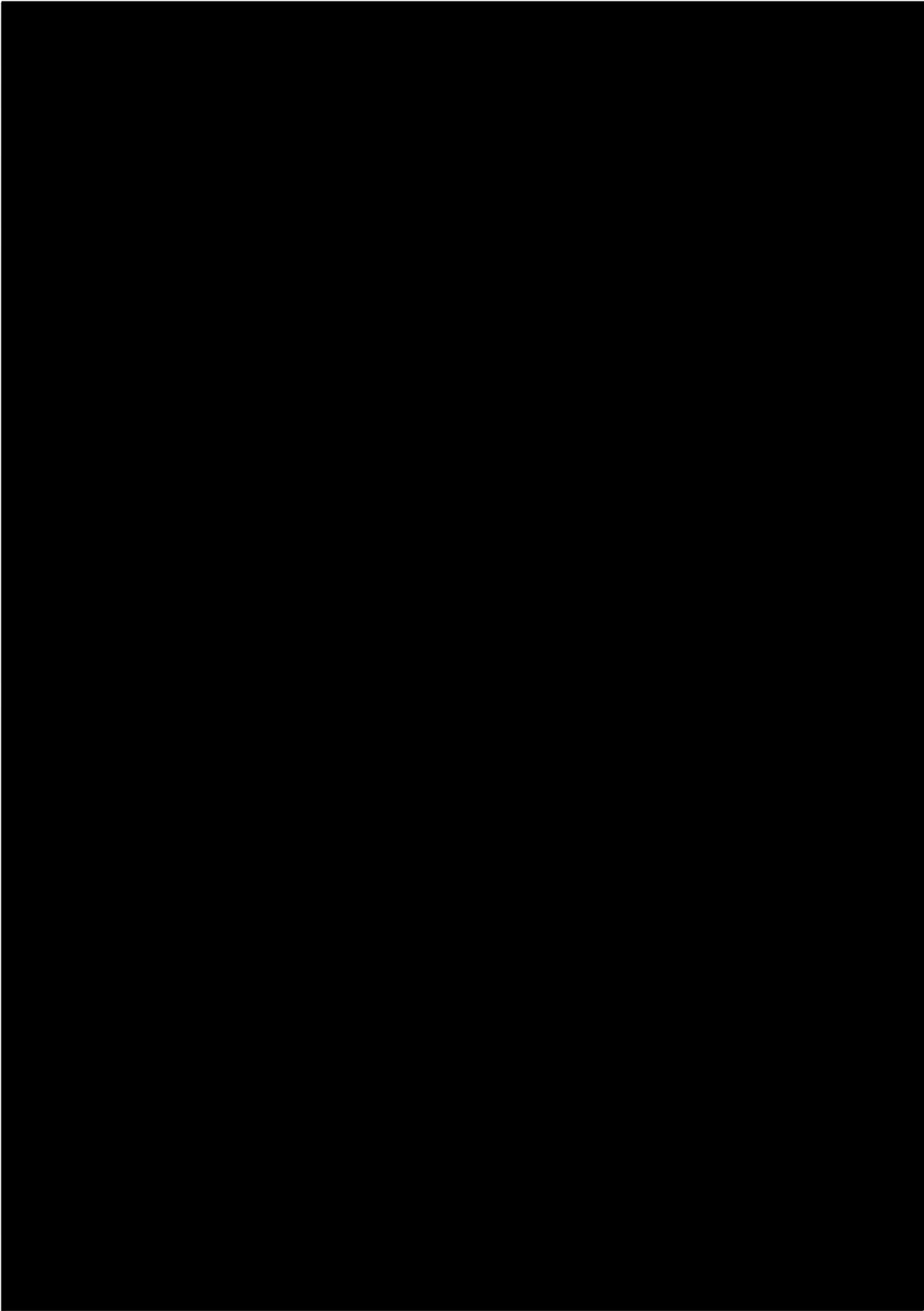


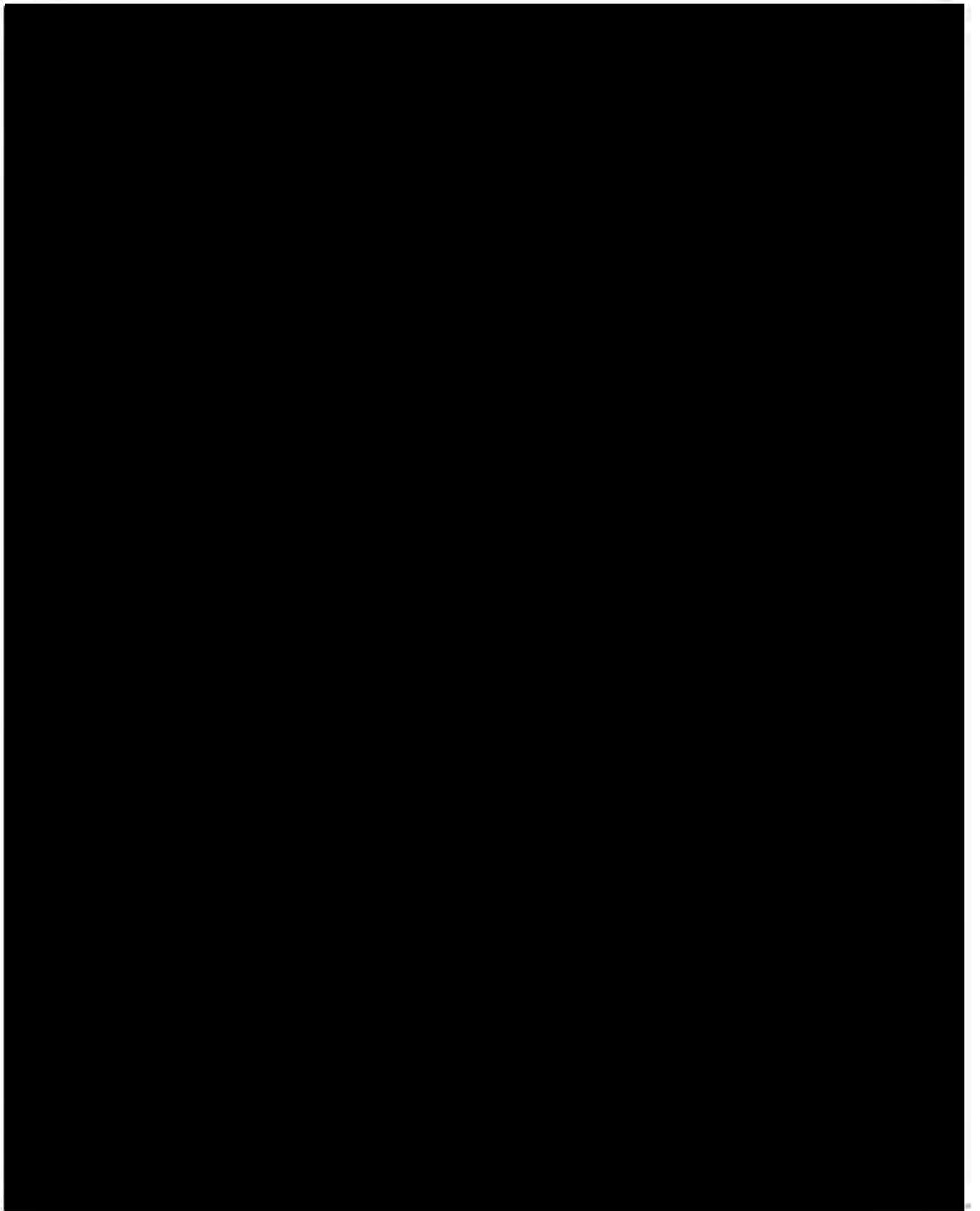


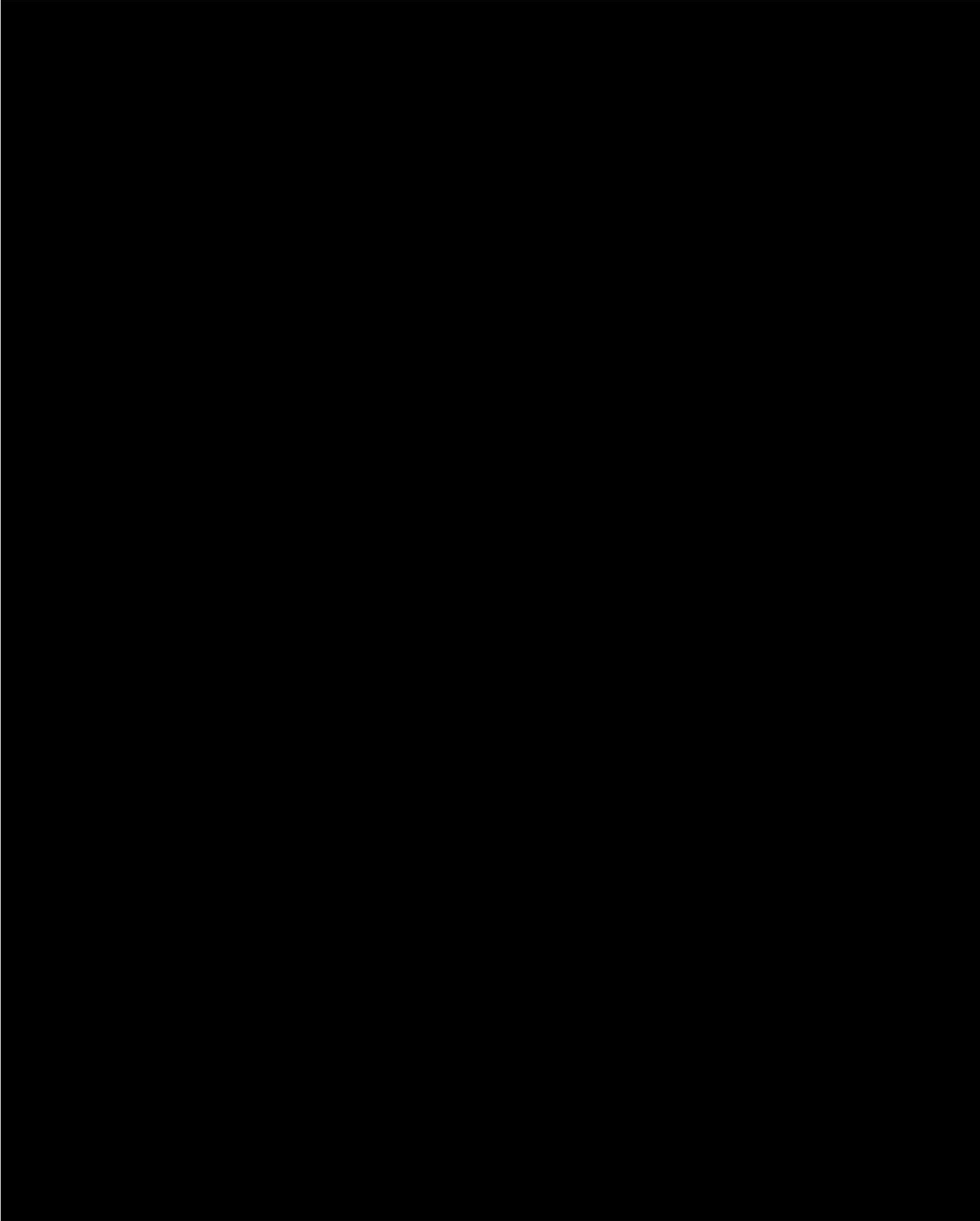


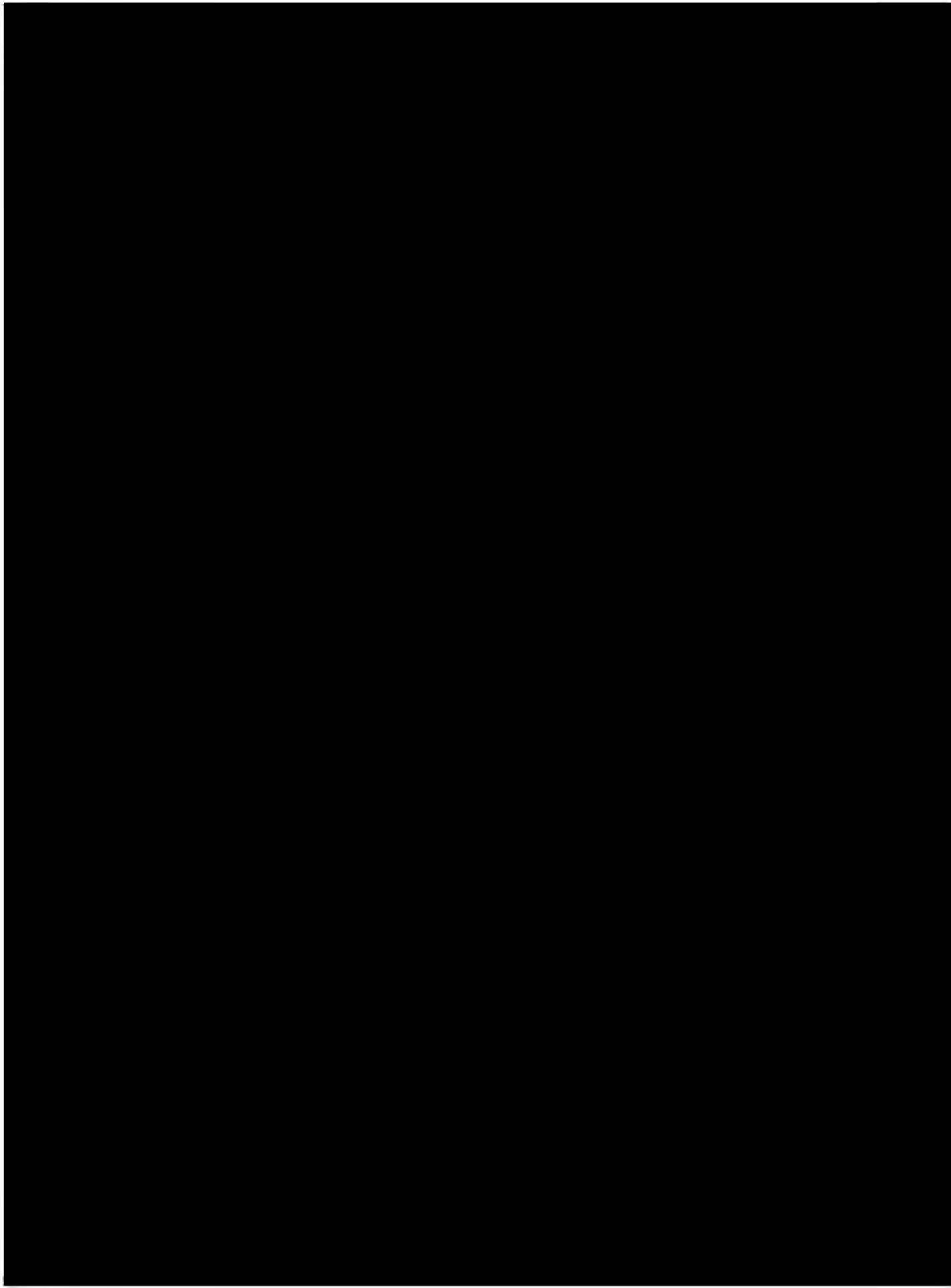


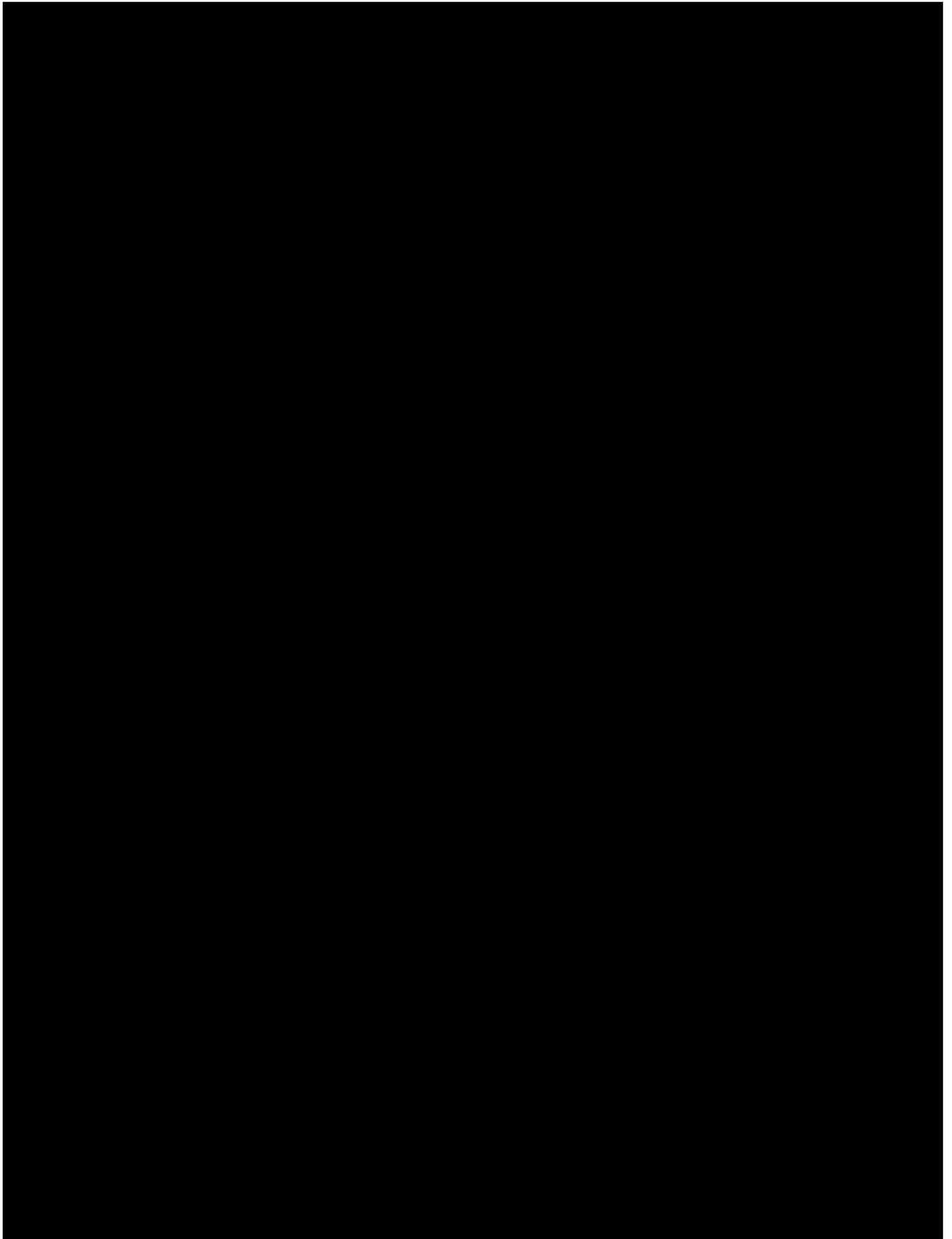


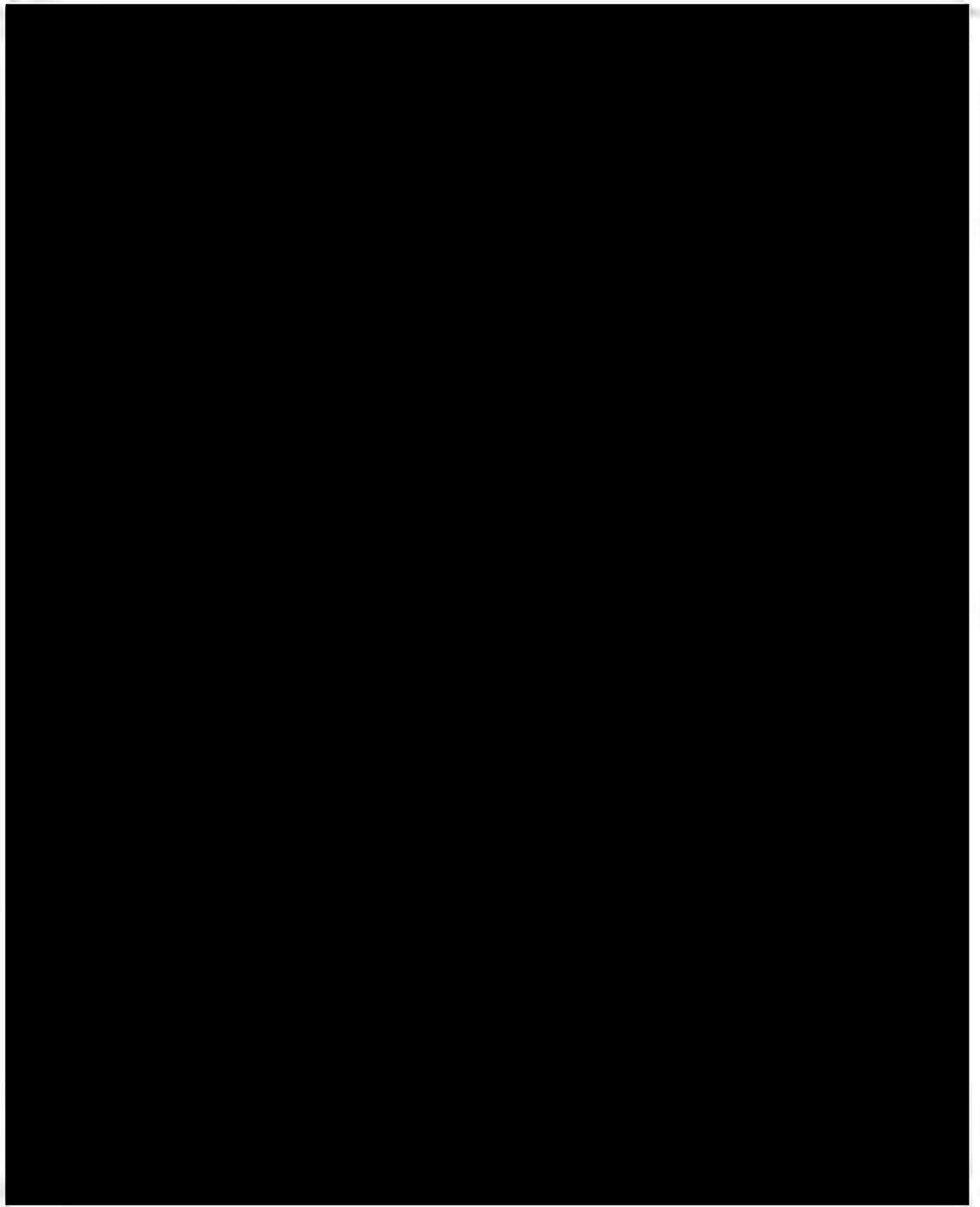


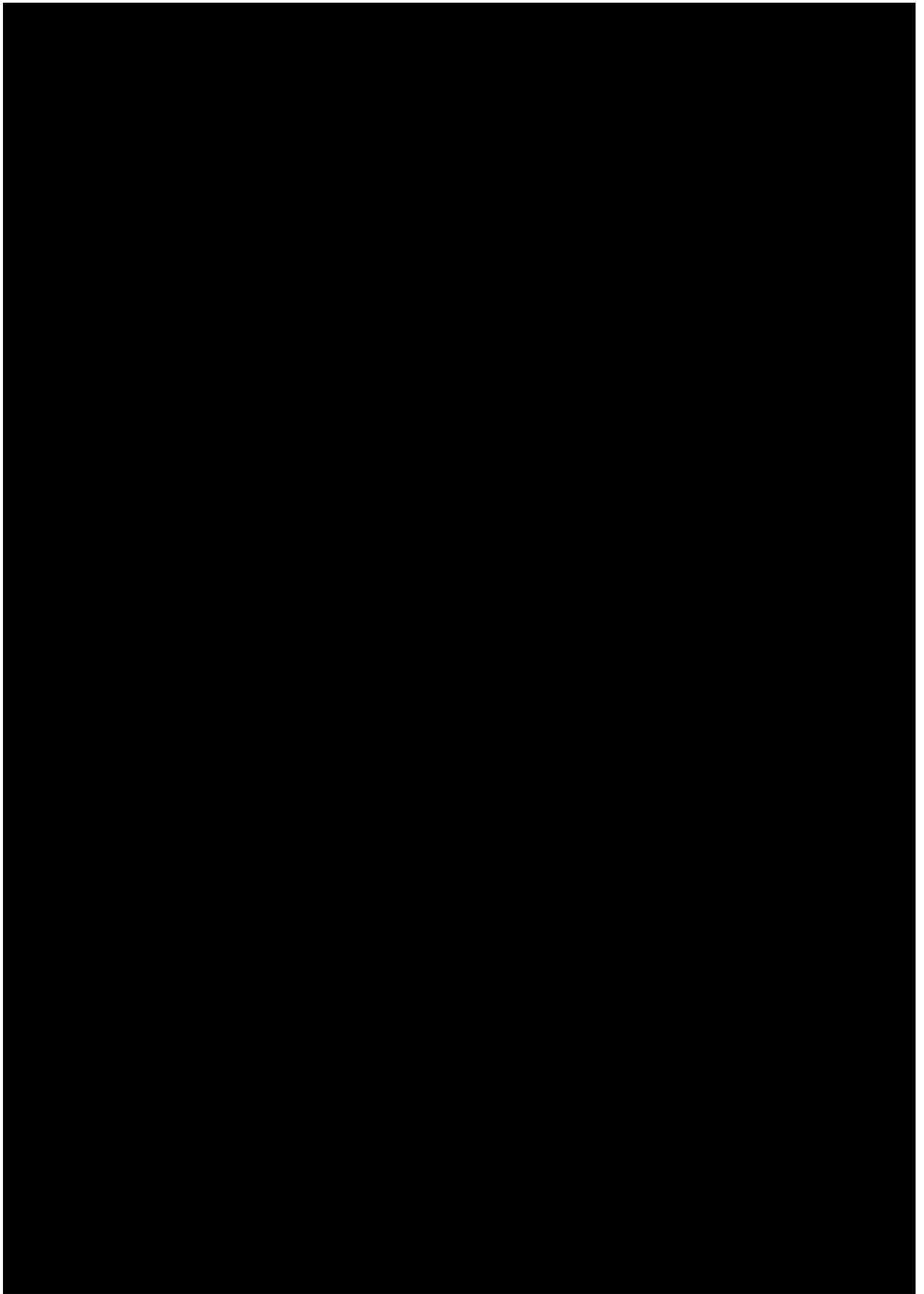


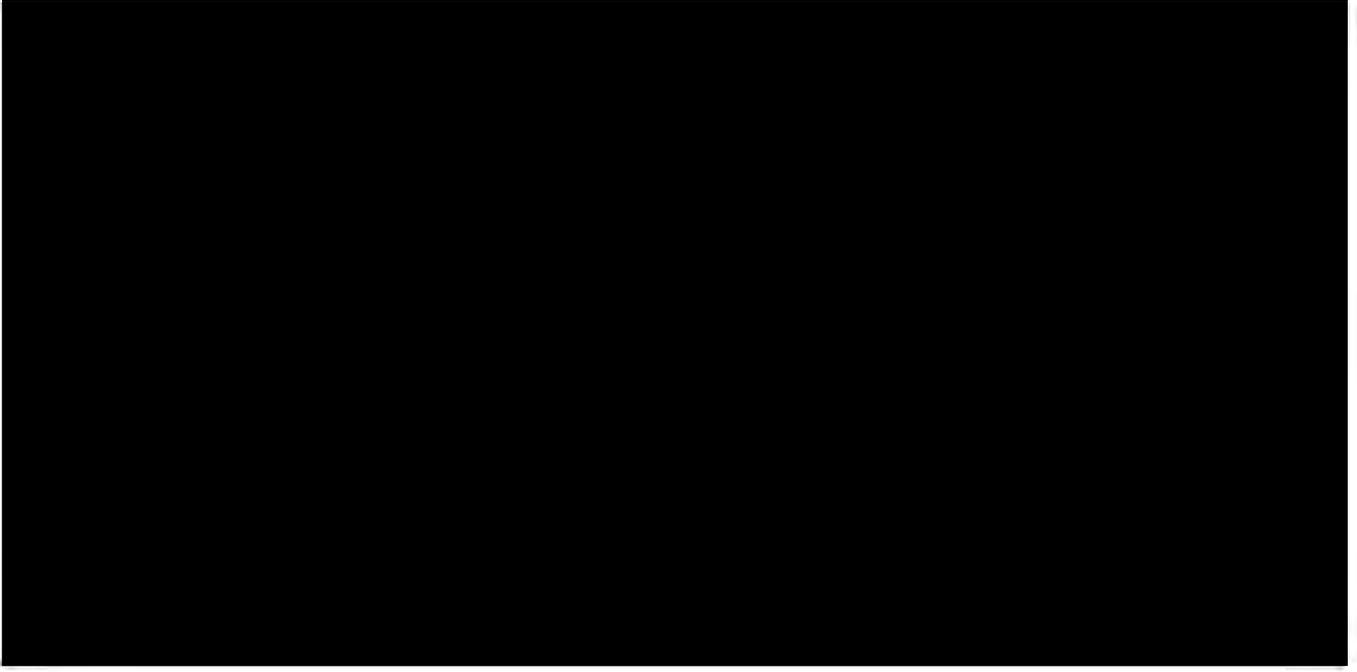












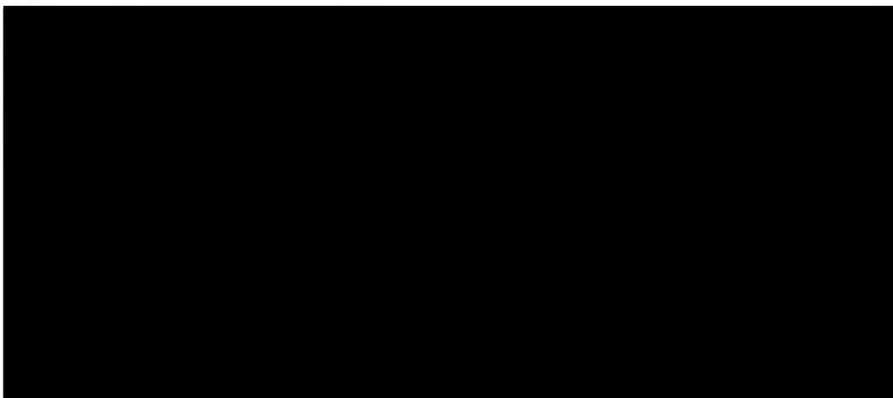
SCHEDULE 1 - KEY CALL-OFF CONTRACT INFORMATION

1. **Call – Off Contract Reference Number:** TfL/90748 – Task 14
2. **Name of Service Provider:** GVA Grimley Ltd
3. **Commencement:**
 - (a) **Call - Off Contract Commencement Date:** 1st June 2015
 - (b) **Call - Off Service Commencement Date:** 1st June 2015
4. **Duration/Expiry Date:** 31st May 2016
with an option to extend which shall be mutually agreed between the Authority and the Service Provider.
5. **Payment Period (see Clause 7 of the Framework):** 30 days
6. **Address where invoices shall be sent:**



Electronic format required (if any) for submission of orders by the Authority and of invoices by the Service Provider: N/A

7. **Time for payment where not 30 days:** N/A
8. **Details of the Authority's Call-Off Co-ordinator**



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- 11. Notice period in accordance with the Call-Off Contract (termination without cause): 14 calendar days**