**Description of Procurement:**

**Viability training and support 2019- Provision of viability guidance, training and validation of viability findings in support of the Site Allocations DPD**

**Contract Period: 22 month period (December 2019 to October 2021)**

# Summary

1. Lambeth are seeking to appoint a consultancy for 22 month period to provide specific training to officers in the use of Argus Developer Software; provide support and guidance on this process; and to verify the findings of internally-produced site viability appraisals. This will involve formal guidance and training; verification of results; and input into a formal report.
2. This brief sets out:
	1. Context to the opportunity;
	2. The process, stages and project timescales;
	3. Procurement timetable; and
	4. Evaluation processes.
3. The Council’s standard terms and conditions are also set out in Appendix A.

# Context

1. Lambeth Council has received confirmation of GLA Grant funding under the Homebuilding Capacity Fund programme. This has been awarded to develop a new design and viability tested approach to the development of a Site Allocations DPD (SA DPD) for the borough. The SADPD will form part of the statutory development plan and, following adoption, will be used to determine planning proposals on each relevant site. The DPD will introduce new site allocations to replace those currently contained within the forthcoming Revised Local Plan, which is anticipated for adoption in late 2020/21.
2. The SA DPD will include detailed design and development principles with the aim of optimising residential (and non-residential) capacity for each site and will also demonstrate how the Draft London Plan affordable housing Fast Track Route can be achieved. To reflect the principles of national planning policy within the National Planning Policy Framework (NPPF) and National Planning Practice Guidance (NPPG), viability testing will be front-loaded within the plan-making process. The Council will be preparing a detailed evidence base in support of around 15-20 site allocations. This will mean that each individual site allocation will be underpinned by extensive evidence on design and capacity; daylight and sunlight; flood risk data; and viability.
3. It is anticipated that this holistic approach will speed up plan-making and decision-making processes, and assist the Council in meeting its housing and economic development targets and aspirations.
4. One of the primary aims of the approach taken to the viability work set out within this brief is to build officer capacity in viability appraisals. Therefore officers within the team will undertake the viability testing appraisals but will require guidance and training on the methodology, advice on the key inputs and verification of the results to be provided by consultants with appropriate skills and experience in viability testing work.
5. The Council therefore wishes to procure viability consultants to assist in the development of the viability evidence. This will involve:
* Providing guidance and training on the use of Argus Developer viability software (to be purchased separately by the Council);
* To independently verify the outputs of the model produced by team members; and
* To verify and input into a viability evidence base document to be produced by the Council.
1. Further details on the scope of these requirements is provided below.

# SCHEDULE AND REQUIREMENTS (SPECIFICATION)

1. This schedule of requirements should be utilised to develop a Method Statement response to the brief as highlighted below. It is envisaged that this project will form a staged approach, as set out below:

**Part A- Preparation for site-specific development appraisals**

1. Consultants should provide guidance and background information to officers to enable them to prepare for the site appraisal stage. This should include detail on the role of each stage in the development appraisal; key inputs, outputs, and variables; and the interpretation of the results of the model.
2. Consultants will advise on the appropriate benchmark land value (BLV) to be applied to each of the identified potential sites within the appraisal stage below. This will include use of the most up to date guidance, property databases, forecasts and local transactional data to establish the appropriate range of BLV (utilising the Existing Use Value plus approach) for the borough by area and site typology.
3. Consultants should also provide guidance on how to factor in the role of other competing demands on sites, including infrastructure provision, development standards, Community Infrastructure Levy rates and S106 expectations.
4. The above should be provided primarily by non-technical and technical written guidance. The guidance provided should be consistent with the methodology and approach used in the whole-plan viability assessment of the Draft Revised Lambeth Local Plan and Preliminary Draft Revised Lambeth CIL Charging Schedule (October 2018), which can be found on the council’s website.

**Part B- Provision of training in the use of Argus Developer viability software**

1. In addition to (A) above, delivering specific training for up to 12 members of staff in the use of the Argus Developer viability software. This will include detail on the critical factors and variables (including build costs, profit, fees, sales values/yields etc) affecting each viability appraisal and outputs, guidance on inputs and outputs, and the ‘real-world’ implications of assumptions and outputs.
2. The training should also enable the testing of different site formats and proposed uses including developed and previously-developed land; wholly residential, mixed-use and non-residential proposals; and allow for Build to Rent (BTR) elements.
3. It is anticipated that the development of each site allocation will involve an iterative process between design development and viability involving revisions and re-testing, however the detailed approach will vary for each site.

**Part C- Review and verification of the results of each model**

1. This stage will involve review and verification of the outputs of each development appraisal conducted by officers within the Argus Developer Software. As above, due to the iterative nature of the process it is likely that re-verification may be required for some sites, therefore the costs should allow for verification of up to 25 separate site appraisals, plus an additional costing for any additional appraisal verification.

**Part D- Input into the production of an evidence-base report**

1. Following the above process, the Council will gather information collected from (C) into a publicly accessible Viability Appraisal evidence base document. Consultants will be expected to input into relevant sections of this report produced by the Council and to verify the findings of the appraisal process within the relevant sections of this report. Site appraisal detail included within this report should be proportionate, simple to use and transparent; and be available in an appropriate publicly accessible format.
2. **Study inputs and timescales**
3. The Council will separately purchase three floating licenses for Argus Developer software program. It will also provide:
* background information and data for each potential site allocation
* detail on the site typologies and uses/mix of uses which will require testing.
1. The appointed consultant will be expected to utilise this information to provide advice on the key inputs and variables for inclusion within the software for testing.
2. Once appointed, a timetable for the length of the project is set out below. This will be subject to further discussion and clarification as the project progresses.

Table 1- Project timescales

|  |  |  |  |
| --- | --- | --- | --- |
| **Stage** | **Component** | **By whom** | **Indicative timescale** |
| A. Preparation | Appointed consultant | By end of December 2020 |
| B. Training | Appointed consultant | By end of December 2020 |
| C. Appraisals | Testing | Council officers | January -June 2020 |
| Verification | Appointed consultant | January -June 2020 |
| D. Evidence-base document (produced with Council)  | Draft document | Council officers | Beginning July 2020 |
| Draft verification findings sections | Appointed consultant | Beginning July 2020 |
| Final document | Council officers | End July 2020 |
| Final verification findings sections | Appointed consultant | End July 2020 |
| Additional testing[[1]](#footnote-1) | Testing stage 2 | Council officers | August 2020- October 2021 |
| Verification stage 2 | Appointed consultant | August 2020- October 2021 |

1. As set out above the main part of the tasks associated with this contract will be required in support of the development of the Site Allocations DPD up to Regulation 18 stage (anticipated October 2020). Consultants will be retained within the period October 2020- October 2021 to be able to verify any additional results of testing required in response to the consultation. Officers will be able to advise further following the conclusion of the consultation in Autumn 2020.
2. The Council will also be conducting design-based capacity; daylight and sunlight testing; and flood risk work on each of the proposed site allocations which will also be conducted to the above timetable. The aim is to take a Regulation 18 version of the SA DPD to Cabinet in October 2020.
3. Following this consultation stage, there may be a need to re-visit the design and viability testing which would need to take place in January-March 2021. Therefore, as below, this should be factored in as a cost per additional verification, should these be required in excess of the quantum included in the quote.

# PROCUREMENT TIMETABLE

1. The proposed period of the contract would be from the start date agreed once the tender has been awarded. It is hoped that the start date would be by early December 2019 – if this procurement proceeds in full and is intended to run until October 2021.
2. A timetable for the selection process is detailed below in Table 2 (please note these dates may be varied at the council’s own discretion). The council retains the right to suspend this procurement process and/or not continue with the tender process at any point at its own discretion. Further detail on the standard terms and conditions is included in Appendix A.

Table 2

|  |  |  |
| --- | --- | --- |
| **Stage** | **Component** | **Indicative timescale** |
| Request for quotation | Publication of Request for Quotation | 21 October 2019 |
| Deadline for receiving questions and clarifications[[2]](#footnote-2) | 12pm (noon) on 4 November 2019 |
| Proposal submission deadline  | 12pm (noon) on 11 November 2019 |
| Selection | Evaluation Period   | 12-18 November 2019 |
| Successful applicant selected and confirmed | 22 November 2019 |
| Contract Commencement | Successful applicant commences contract | 2 December 2019 |

**Information Requirements**

1. Your proposal should consist of your response to the Method Statement Questions below (item 31) and your completed Price Proposal (item 35). Your response to the Method Statement Questions must be kept to a maximum 10 sides of A4 (Ariel, Font Size 11, single line spacing) with clear indication of which question you are responding to, including brief CVs. Any submissions that exceed this limit will not be evaluated. A draft copy of the terms and conditions applicable for this contract is also attached for your information.

**Clarification question and Tender submission**

1. All clarification questions and tenders should be submitted via email to Gudrun Andrews gandrews@lambeth.gov.uk by the relevant deadline (as per table 2 above).

# TENDER EVALUATION

1. Consultants are invited to submit a proposal within a method statement, based on the tasks identified within items 11 to 19 of this brief. The breakdown of quality and marks awarded for the method statement will be as follows:

Table 3

|  |  |  |  |
| --- | --- | --- | --- |
| **Type** | **Questions** |  **Marks Available** | **Weighting** |
| **Methodology** | 1) Please detail how services detailed under this contract will be provided:* Guidance and support on the viability model
* Developing the BLV
* Training
* Verification
 | 0-5 | 20 |
| **Service Management and Delivery**  | 2) Please outline the monitoring and standards applied to ensure consistency of approach across each part of the project, and to ensure work is delivered to timetable | 0-5 | 5 |
| 3) Please detail how this contract will be resourced (to ensure workloads are effectively managed and delivered in line with the agreed timetable) | 0-5 | 5 |
| 4) Provide detail of the technical expertise & experience of each consultant by name, professional membership details, roles, time allowed for each task  | 0-5 | 10 |
| **Provision & Quality of Service** | 5) Please provide details of your experience and expertise in providing viability advice, support and guidance, and conducting whole plan viability assessment, and where relevant, experience of working within or for the London Borough of Lambeth. Please also provide details of other similar types of work that you have undertaken for other local planning authorities.  | 0-5 | 15 |
| 6) Please provide details of your experience and expertise in providing training on viability models  | 0-5 | 10 |
| **Total (Quality Score)** |  | **65** |

1. The ratio that will be used to evaluate the proposals is as follows:
	1. Price – 35%
	2. Quality – 65%
2. The components which are indicated with the appropriate weightings will be evaluated by the panel and the appropriate score will be agreed. The score achieved for this section will be weighted at 65% to give the final score for quality (Quality Score).
* The Quality Score will be added to the Price Score to determine the Final score.
* The council reserves the right to challenge any information provided in response to the RFQ and request further information in support of any statements made therein.
* Potential Providers’ responses must clearly demonstrate how they propose to meet the requirements set out in the question and address each element in the order they are asked.
* Potential Providers’ responses should be limited to, and focused on each of the component parts of the question posed. They should refrain from making generalized statements and providing information not relevant to the topic.
* Whilst there will be no marks given to layout, spelling, punctuation and grammar, it will assist evaluators if attention is paid to these areas including identifying key sections within responses.
* Please note that Question number 5 within Table 3 above will be assessed as a threshold question, meaning that consultants must achieve 3 as a minimum to pass the assessment process. Only those responses which achieve 3 or above in Question 5 will be included in the Price Evaluation Process.
1. Potential providers will be marked in accordance with the following marking scheme:

|  |  |
| --- | --- |
| 0  | Failed to address the question/issue.  |
| 1  | An unfavourable response/answer/solution. There is limited or poor evidence of skill/experience sought; a high risk that relevant skills will not be available.  |
| 2  | Less than acceptable. The response/answer/solution/information lacks convincing evidence of skill/experience sought; lack of real understanding of requirement or evidence of ability to deliver; medium risk that relevant skills or requirement will not be available.  |
| 3  | Acceptable response/answer/solution/information to the particular aspect of the requirement; evidence has been given of skill/experience sought.  |
| 4  | Above acceptable – response/answer/solution/information demonstrates real understanding of the requirement and evidence of ability to meet it (based on good experience of the specific provision required or relevant experience of comparable service or supply.  |
| 5  | Excellent – response/answer/solution provides real confidence based on experience of the service or supply provision required. Response indicates that the supplier will add real value to the organisation with excellent skills and a deep understanding of the service or supply requested.  |

1. **Price Evaluation Process**
2. The Council is seeking an itemized lump sum for the tasks as set out within this brief allowing for the validation of up to 25 results of the viability appraisals (items 1 to 5 in Table 4 below).

The price proposal should also include an additional cost for any additional validations required in excess of 25 as indicated above (items 6 and 7 in Table 4 below).

Price proposals should also provide an indicative breakdown of costs as per Parts A- D of this brief as set out in Table 4. Consultants should also provide a separate breakdown of the inputs into determining the lump sum by time allotted per consultant, level of seniority and day rate.

1. The cost should allow for one training session for up to 12 members of staff on the use of Argus Developer for site appraisals. Consultants are also asked to provide a cost per any additional training session required.

Table 4

|  |  |  |
| --- | --- | --- |
| **Item No.** | **Deliverable** | **Itemized lump sum cost (£ excl. VAT)** |
| 1 | Part A- Preparation for site-specific development appraisals |  |
| 2 | Part B- Provision of training in the use of Argus Developer viability software |  |
| 3 | Part C- Review and verification of the results of each model |  |
| 4 | Part D- Input into the production of an evidence-base report |  |
| **5** | **Total** |  |
| 6 | Price for additional work for any additional appraisal to be provided by cost per consultant and hourly rates |  |
| 7 | Price for any additional training session required |  |

1. For price, each submission will be assessed on the total cost (item 5 in Table 4 above) of delivering Parts A to D as set out within this brief, using the following equation:

Price Score = (100% -(A-B)/B)\*35

where A= Tendered price and B= lowest price

1. The Quality Score will be added to the Price Score to determine the Final score. The Council will select a supplier on a most economically advantageous tender (MEAT) basis.
1. The need for any additional testing and verification will become apparent during the project following the close of the Regulation 18 consultation process in early 2021. [↑](#footnote-ref-1)
2. To be sent to officer contact as included within the Request for Quotation [↑](#footnote-ref-2)