

## **1. Call-Off Contract Template**

**Framework Number: HCAE14088 Property Panel Framework**

**Call-Off Contract Number: GLA 80627**

**THIS CALL-OFF CONTRACT** is made the 15th day of December 2014

### **BETWEEN:**

- (1) Greater London Authority ("**the Authority**"); and
- (2) GL Hearn Ltd, a company registered in England and Wales (Company Registration Number 03798877 ) whose registered office is at 280 High Holborn, London WC1V 7EE ("**the Service Provider**").

### **RECITALS:**

- A. The Contracting Authority and the Service Provider have entered into an agreement dated June 2014 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. The Service Provider shall be liable for the on-going 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. 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 [*Authority*]

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**2. SIGNED**

For and on behalf of G L HEARN

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**3.**

## **Attachment 1**

### **1. Services to be provided**

#### **Background**

Greater London Authority Property Ltd (GLAP) is seeking to appoint a consultant (s) to assist with the disposal of Beam Park, a 29ha strategic brownfield site in Barking and Dagenham and Havering, London in GLAP's ownership being prepared for disposal and identified as a potential residential-led development.

#### **Objectives**

The GLA and its partners have developed investment objectives and three preferred land use options for Beam Park. It is anticipated that c. 3,000 mixed tenure units with a viable retail/leisure offer and limited commercial uses can be achieved across the site. A review of site constraints has been completed and the GLA is currently procuring a second stage of work to gather data to fill gaps identified by the SI data review. This work will be complete in early 2015. Whilst this work is underway the GLA intends to undertake key tasks to inform the future development and disposal strategy for the sites. This work will also enable an informed decision as to the future development of the Dagenham Stamping and Tooling Plant and Polar Ford sites. It will also evaluate the need for third party acquisition of smaller sites adjacent to Beam Park.

#### **Scope**

A multi-disciplinary team is required to bring together the range of skills required to undertake this piece of work and it is anticipated that bids will assemble a suitable team either using internal or external resources as appropriate to undertake the following:

- 1) Market Assessment:** Market research is required to identify the demand for land uses in the area and ensure that viable land uses/development options are incorporated into the capacity study and development appraisal. The GLA is working with TfL to produce a Transport Action Plan for the area which will underpin the London Riverside Opportunity Area Planning Framework. It is expected that in light of the scale of the opportunity the assessment will provide site specific data gathered from retail/leisure operators, house builders, developers and others as appropriate, as well as reviewing general market trend data. The market assessment should factor in the potential impact of the proposed station at Beam Park (plot 3) and improved transport connections planned for the area.

The appointed consultant will be required to:

- a) Undertake research and produce a market assessment report which will provide commentary on the level of demand/supply and present data to inform the capacity study and development appraisal. The sites have been proposed for a range of uses. We are particularly interested in understanding the market demand for the following uses:
  - Private and affordable residential markets including custom build and PRS
  - Retail/leisure market including factory outlet operators
  - Commercial market
  - Other appropriate uses as determined through data analysis
- b) Review demographics and economic conditions of the local area, along with a forecast of economic growth and change. It is envisaged that as well as a review of census and index of deprivation data this will include an overview of regeneration and housing initiatives in the area and where available an indication of their impacts. It is expected that as well as a narrative this data will be summarised visually in a format such as GIS mapping.

**2) Capacity study and high level development appraisal of the site:** The site presents an exciting opportunity to create a new urban mixed use community. However there are a number of constraints and challenges and it is important that the mix of uses on the site promotes the development of a viable and vibrant new community. A capacity study is required to apply the investment objectives and review of the preferred land use options, density, unit mix and size to ensure that these meet market needs identified in the market assessment. This should also include appraisal of the site's constraints and capacity to incorporate other viable land uses identified by the market assessment. The GLA is keen to explore how best to achieve viability through maximising the site's capacity to meet market needs whilst working to achieve the investment objectives and stakeholder aspirations. The site constraints, along with relatively low sales values combine to make this a challenging site to develop with potentially marginal viability.

The appointed consultant is required to bring together a team with the relevant skills, urban design, master-planning etc. (either from within their organisation or through sub-consultants) to:

- a) Provide a narrative which reviews the market assessment against the preferred land use options to ascertain the site's capacity to meet the demand for land use in the area whilst achieving the investment objectives in line with policy and stakeholder expectations. This should include site capacity to meet demand for custom build and PRS, retail and leisure, as well as opportunities to include other land uses to improve viability and attractiveness of the site. It will also need to take account of social infrastructure requirements for the site.
- b) Assess the demand for Retail/leisure, including designer outlets and residential uses on the Dagenham Stamping and Tooling Plant and Polar Ford sites

- c) Evaluate the demand and need to include the following adjacent sites in the development site:
- Scrapyard adjacent to Beam Park Plot 3 – likely to be needed to enable access to proposed Beam Park train station
  - Imperial House and ex-Bank sites between Link Road, Kent Ave and A1306
- d) Assess development financial viability to determine an achievable mix of residential tenures which meet planning policy and ensure a viable development taking account of the high remediation and infrastructure costs of the site:
- Affordable housing: Mayoral target is for 35% (60% affordable rent, 40% intermediate rent or sale). However this will need to be considered in the round and analysed to determine an achievable level in light of the remediation costs. (Draft Housing Strategy 2014)
  - Private Rented Sector (PRS): The London Plan states 35% PRS for new developments which, in light to the potential lower land value may not be appropriate for Beam Park. Therefore the appraisal should present recommendations for a viable level of PRS for the site taking account of relevant public sector funding which is available.
  - Custom Build: The site may have potential to include a proportion of custom built homes to support the needs identified in the London Plan. The appraisal should consider the demand/attractiveness of the site for custom build, available funding and present recommendations for a viable level of custom build homes.
  - Mayoral policy such as car parking, density, design and space standards and lifetime homes.
  - A range of residential tenures such as private sale, PRS, affordable and custom build.
  - Site remedial and infrastructure costs.
  - Development densities achievable with and without a new Beam Park station.
  - Consideration of the options appraisal and analysis of uses which add or detract value factoring in site remedial and infrastructure requirements/costs.
- e) Undertake development options appraisal and sensitivity analysis.
- f) Produce a visual representation of the site's capacity and viability which will act as a high level masterplan and whilst not being prescriptive can be used to give prospective developers an overview of potential viable land uses and mix for the site. This should include reference to potential uses for the Dagenham Stamping and Tooling Plant.

**3) Development Partner Procurement:** The appointed consultant will be required to advise and support the GLA project team to dispose of the Beam Park site either through the LDP or an OJEU process to be determined. Procurement through the LDP follows an agreed process with interested parties:

- Expressions of Interest (EOI)
- Sifting Brief – the sifting brief is the means by which the number of LDP companies interested in bidding is reduced and seeks to test the capabilities and experience of the Panel Members in delivering the things that are critical to the success of that particular project.
- Mini competition (invitation to tender (ITT)) - following evaluation of the sifting brief, between 3 and 5 Panel Members should be asked to provide a full project specific tender. The project specific invitation to tender is specific to the project concerned and is used to agree the details and scope of the works and/or services required. Panel Members are advised of the basis on which they are bidding and the criteria to be used for evaluating tenders.

The appointed property consultant will be expected to take responsibility for two main stages of work associated with the LDP disposal process:

- 1) Work with the GLA to prepare the financial and commercial sections of the ITT and evaluation methodology
- 2) Assessing and evaluating the Stage 3 – mini competition bids

We expect that some of the specific tasks associated with those work streams will include, but not be restricted to, the following:

- a) Assist in the preparation of the tender documentation relating to the commercial and funding elements of the scheme
- b) Assist GLA with sift of bidders
- c) Participate in a maximum of 5 developer selection interviews
- d) Evaluate the commercial and financial elements of the bids
- e) Analyse the bids returned in terms of viability, deliverability and taking into account market values
- f) Review build and site remedial costs (including QS checking), values and assumptions of offers submitted by bidders using the GLA's 'Development Appraisal Toolkit' or equivalent TBC
- g) Complete a comparative analysis of the bids from each of the developer and make a recommendation on the preferred bidder based on the criteria set out in the ITT document, in the form of a short report.

It is possible that once the market appraisal and capacity study are complete that OJEU procurement will be necessary to meet the investment objectives. The appointed consultant will be required to complete a similar list of tasks as outlined in 5.4, but within EU timeframes. Should this be the case then the contract will be varied accordingly as per the HCA framework guidance.

**4) *Third party acquisition of smaller sites:*** Depending on the outcome of work undertaken in stages 1-2 it may be necessary to acquire sites which have been identified as having potential to add to the viability/sustainability of the site. These are:

- Scrapyard adjacent to Beam Park Plot 3 (purchase of this will be needed to facilitate access to the proposed station, work underway to investigate this)
- Imperial House and ex-Bank sites between Link Road, Kent Ave and A1306

This work, if needed, would be undertaken as a separate commission (linked to the main appointment) and consultants would be required to provide a fee bid in response to an agreed scope of works for any potential third party land acquisition work/CPO advice.

**5) *Acquisition of the Dagenham Stamping and Tooling Plant.*** The GLA is assessing the potential acquisition from Ford of either the entire site or a 4.5 acre area of land to the immediate north west of Beam Park which is in Ford Motor Company's ownership. The site may add value to the Beam Park development but also carries a great deal of risk. A high level valuation has been undertaken and due diligence work is required. This includes a review of the risk and potential costs associated with ground conditions and remediation strategy which will be undertaken by geotechnical consultants between September and December 2014. Consultants will be required to provide property advice to assist with the acquisition of either the entire or part the Dagenham Stamping and Tooling Plant (DSTO).

This work, if needed, would be undertaken as a separate commission (linked to the main appointment) and consultants would be required to provide a fee bid in response to an agreed scope of works for any land acquisition work.

## **Progress to date**

Establishment of the Beam Park Steering Group which brings together the LB Barking and Dagenham and LB Havering.

Options Appraisal (see attached).

Further intrusive site investigations due to be completed early 2015 which will result in a developable areas plan showing constraints, including flood risk, infrastructure, contamination.

Soft Marketing with the London Development Panel due to be complete end October 2014.

## **Key deliverables**

Market Assessment, Capacity Study and Viability Assessment which can be used to inform the development objectives and procurement of a development partner.

The appointed consultant will report to the Strategic Project and Property (SPP) team of the GLA's Housing and Land Directorate.

## **2. Timetable**

Commencement date: 1<sup>st</sup> December 2014

Call-Off Term: 16 months (1<sup>st</sup> December 2014 to 31<sup>st</sup> March 2016)

The Project Plan is to be agreed with the Authority at the Inception Meeting.

## **3. Liquidated Damages**

Amount of liquidated damages per day (if any): N/A

## **4. Expenses**

Expenses (if any) that the Service Provider may claim: N/A

## **5. Authority Account Details**

Relevant account code and cost centre: tbc

## **6. Authority Call-Off Co-ordinator**

**REDACTED**

## **7. Availability of Key Personnel**

The Service Provider's Key Personnel shall be available at the following period of notice: tbc

## **8. Other information or conditions**

Any additional costs are to be agreed by the Authority in advance of any work being undertaken.

## **Attachment 2**

### **1. Charges**

#### **Breakdown of the total cost**

**REDACTED**

### **2. Key Personnel**

The Service Provider's Key Personnel (include grades and areas of responsibility):

**REDACTED**

### **3. Proposed sub-contractors (if any)**

Name and contact details of proposed sub-contractor(s) and details of any proposed sub-contracted work:

**LDA Design** will provide masterplanning, urban design and architecture advice and **Gardiner & Theobald** will provide cost consultancy advice. Sub-contractors key personnel below;-

**REDACTED**

### **4. Proposed completion date**

**REDACTED**

### **Attachment 3**

#### **Special Conditions for Call-Off**

**N/A**