

Call-Off Schedule 20 (Call-Off Specification)

TRCF3078A – Provision of DfT Group Property Services

CCS Customer User Number: **EMS-28074-2023**



Crown
Commercial
Service

Bid Pack

Attachment 3 – Statement of Requirements

Contract Reference: **TRCF3078 - Provision of DfT Group
Property Services**

CONTENTS

1.	PURPOSE.....	3
2.	BACKGROUND TO THE CONTRACTING AUTHORITY.....	3
3.	BACKGROUND TO REQUIREMENT/OVERVIEW OF REQUIREMENT	4
4.	DEFINITIONS.....	5
5.	SCOPE OF REQUIREMENT	5
6.	THE REQUIREMENT	6
7.	KEY MILESTONES AND DELIVERABLES	7
8.	MANAGEMENT INFORMATION/REPORTING	8
9.	VOLUMES.....	8
10.	CONTINUOUS IMPROVEMENT	8
11.	SUSTAINABILITY	8
12.	QUALITY.....	8
13.	PRICE	9
14.	STAFF AND CUSTOMER SERVICE.....	9
15.	SERVICE LEVELS AND PERFORMANCE	9
16.	SECURITY AND CONFIDENTIALITY REQUIREMENTS	11
17.	PAYMENT AND INVOICING	11
18.	CONTRACT MANAGEMENT	12
19.	LOCATION	12

1 PURPOSE

- 1.1. The Group Property team within the Department for Transport is looking to utilise a Property Services Framework (RM6168) to let an advisory service call off contract. The team require easy access to two firms of high-quality professional property advisors who can give expert consultancy and transactional property advice including valuation, development, strategy and other areas of general practice and agency advice in a timely manner to support Group Property.
- 1.2. The initial contract term will be for 3 years, with an option of a 1-year extension (3+1). The contract value will be up to £1.5m per annum.

2. BACKGROUND TO THE CONTRACTING AUTHORITY

- 2.1. Department for Transport (DfT) is a ministerial department, supported by 24 agencies and public bodies. The Department for Transport and its agencies and public bodies have one of the largest and most complex property portfolios in Government. This means that Group Property has a broad and diverse role. This ranges from safeguarding and enhancing the Secretary of State's property interests on exciting new projects such as HS2, through to delivering projects in partnership with agencies, managing our own central estate and disposing surplus assets.
- 2.2. Group Property is a trusted adviser on property matters to policy teams across the Department. This includes compulsory purchase and land assembly advice on new infrastructure projects.
- 2.3. We provide challenge to optimise the efficiency and effectiveness of our assets and to manage risks appropriately. We have a leadership role across the transport family through the DfT Strategic Property Forum.
- 2.4. We enable the delivery of transport priorities by ensuring DfT's property objectives are aligned to the Department's Outcome Delivery Plan. We oversee the annual production of a transport wide Strategic Asset Management Plan and respond to cross Government commissions including a pipeline of public sector land for housing and disposal receipts.
- 2.5. Our work spans a raft of property sub-sectors, most notably Property Strategy, Estate and Asset Management, Advice and Assurance, Building Services/Workplace/Facilities Management and Regeneration & Development and leasehold and freehold acquisitions and disposals. We're working extensively on major infrastructure projects, supporting delivery through efficient asset management and professional advice.

3. BACKGROUND TO REQUIREMENT/OVERVIEW OF REQUIREMENT

- 3.1. The Department's property portfolio has been continuously increasing in complexity, meaning the Department has identified the need to have easy access to high quality advisors who can provide property expertise in all areas of practice including: valuation, development, strategy and other areas of general practice and agency advice.
- 3.2. On this basis, we wish to procure a facility whereby we can call off services from two firms of high-quality property experts. This will be a lotted call-off contract, consisting of a single lot with two suppliers.
- 3.3. It is expected that, in most instances, commissions made under this call-off contract will be via direct appointment without the requirement for a mini competition between the two appointed advisors.
- 3.4. To ensure fair treatment of both suppliers, the Department will typically allocate commissions via a taxi-rank system, offering the first commission to the supplier with the highest score in the evaluation of tenders and alternating offers thereafter. The Department reserves the right to depart from this procedure, including in the instances described in clauses 3.6 - 3.9.
- 3.5. The Department intends to facilitate a broadly equal distribution of appointments by value across the term of the contract – although this is not guaranteed and will be subject to the Department's need. Spend will be reviewed on a quarterly basis and, where possible, disparities in the value of commissions rectified through departure from the taxi-rank system. Suppliers will be notified when this occurs, with specific detail about the Department's planned remedial measures (which will ordinarily aim to re-balance commissions over the term of the following year).
- 3.6. Where the Department believes that a supplier will be unable to accept a commission for reasons of capacity or conflict of interest, the supplier will be informed of any reservations and given the opportunity to reject the commission or to propose mitigations that will enable it to accept the commission. Should the Department be unsatisfied with such measures, it reserves the right to depart from the taxi-rank system.
- 3.7. The Department reserves the right to depart from the taxi-rank system in consideration of unsatisfactory past performance (including, but not limited to, failure to meet KPIs), provided that it has first informed the supplier of any performance-related issues and given sufficient opportunity for redress. The ordinary channel for such communication will be via a quarterly review meeting with the poorly performing supplier, with a timeline to be agreed to remedy any issues. In most instances, the Department will expect poor performance to have been satisfactorily addressed before the next quarterly review.

4. DEFINITIONS

Expression or Acronym	Definition
DfT	Department for Transport
ALB	Arm's Length Body of DfT
HS2	High Speed Two

5. SCOPE OF REQUIREMENT

- 5.1. The scope of this competition includes all property related business as usual and programme activity. The DfT Estate comprises one of the largest government property portfolios of around 1,200 property holdings, covering a collective floor area of over 550,000 square metres. It includes railway stations, industrial land, commercial property, and administrative offices. Within this, there are several challenging programmes being delivered which will significantly impact on the Department's delivery agenda, including HS2, East West Rail, as well as office and retail development projects.
- 5.2. Group Property provides, either directly or through its supply chain, all property related professional services for the Department and some of our Arm's Length Bodies.
- 5.3. Group Property is seeking to have easy access to two firms of high-quality property experts who can provide the following services (as detailed further in the Scope of Services document within framework RM6168) in the following areas listed below. Due to the wide range of workstreams the Group Property team are involved with, and the length of the contract, we may require any of the services in Lot 1, as outlined below:

Lot 1: Total Estate Management

- Acquisition of freehold and leasehold property
- Disposal (includes letting or other commercial arrangements) of freehold and leasehold property
- Rent reviews
- Lease breaks and lease expiries
- Lease renewals
- Dilapidations – Undertaking surveys / leading negotiations
- Landlord and Tenant issues including Landlord consents, service charges and claims
- Rating support services
- Strategic advice, including the preparation and development of an estate strategy

- Procurement strategy for property related issues
- Development consultancy and advice
- Valuations
- Planning
- Building surveying services
- General advice on estate and property management including strategy
- General estate and property management duties, (landlord and tenant day to day)
- Rating appeals
- Compulsory purchase
- Daylighting/ sunlighting/ overshadowing and rights of light
- Party wall awards
- Way-leaves and easements
- Other neighbourly matters
- RIBA stage planning (0 to 2 / part of pre-acquisition scope)
- Retail Property Services/Management
- Workplace planning and space optimisation including but not limited to:
 - Demand assessment
 - Capacity testing
- Performance of assets
- Property Investment, Appraisal and Financial Advisory Services
- Energy Efficiency Services
- Health and Safety advisory services
- Fire advisory services
- Environmental advisory services
- Sustainability advisory services
- Agricultural Land Management Advisory Services

6. THE REQUIREMENT

- 6.1. The Department sees a requirement to retain two specialist property agents/advisors to support them in several areas across the next few years. The services anticipated will be as detailed in section 5 and in the specification of services under Lot 1 of Framework RM6168.
- 6.2. The supplier will be expected to have proven working experience with private or public-sector organisations linked to property, rail or housing and be able to demonstrate that it has the expertise to supply the services detailed in section 6.
- 6.3. The property services should all be focused on achieving the following objectives:
- Make sure the Department's property holdings are high performing and efficient and fully support our operations and objectives.
 - Ensure best price and best value practice is achieved for the Department.

- Provide a safe, reliable and efficient service for the Department and our stakeholders.

6.4. Whilst it is the Department's intention to purchase the majority of its external professional services through this call-off contract, this does not confer any exclusivity on the appointed organisations and the Department give no undertaking that they will purchase the whole or any of their requirement for such services through this arrangement.

6.5. Examples of work requirements may include:

☐ Strategic projects:

- Financial modelling
- Model assurance
- Complex negotiations
- Business case writing and review

☐ Development and planning

- Development strategy
- Sensitivity analysis
- Development appraisal
- Mapping
- Responses to planning consultations

☐ Development and planning

- Complex lease analysis/negotiations
- Strategic estate management strategy
- Workplace and office strategy
- Rent reviews/lease renewals
- Portfolio and asset valuation

☐ Agency

- Leasehold acquisitions and disposals
- Freehold acquisitions and disposals

7. KEY MILESTONES AND DELIVERABLES

7.1. The following Contract milestones/deliverables shall apply:

Milestone/Deliverable	Description	Timeframe or Delivery Date
Senior Point of Contact	Supplier to ensure that a senior point of contact is available at all times for	At all times

OFFICIAL

	discussion of performance and delivery issues.	
Delivery	To provide consolidated reporting on progress with individual projects and fee forecasting.	Monthly reporting

7.2. Further milestones will be agreed for each call-off under the contract.

8. MANAGEMENT INFORMATION/REPORTING

8.1. Monthly reporting to designated DfT officer.

9. VOLUMES

9.1. The contract will be for three years with the option to extend for a further year.

9.2. The maximum value of the contract is £1.5m per annum. Actual spend will be subject to DfT demand.

10. CONTINUOUS IMPROVEMENT

10.1. The Supplier will be expected to continually improve the way in which the required Services are to be delivered throughout the Contract duration.

10.2. The Supplier should present new ways of working to the Authority during monthly/quarterly Contract review meetings.

10.3. Changes to the way in which the Services are to be delivered must be brought to the Authority's attention and agreed prior to any changes being implemented.

11. SUSTAINABILITY

11.1. Part of the responsibility of DfT Group Property is to maintain Greening Government Commitments, but this doesn't form a significant part of this commission.

12. QUALITY

12.1. The supplier should be able to demonstrate that they are able to provide high quality services in-line with the core requirements as stipulated in this document and as detailed in framework RM6168.

12.2. The supplier should have proven ability of supplying the expertise needed, clearly demonstrating relevant industry experience, or similar senior posts in the private and/or public sectors, and provide job titles, descriptions, organisations and dates.

13. PRICE

- 13.1. The Department is seeking competitive price submissions. The most economically/competitive price submission will receive the highest price weighted score.
- 13.2. The maximum rates for this contract are those of Lot 1 of CCS framework RM6168. However, suppliers are encouraged to offer further discounts in order to provide a competitive package for this requirement.
- 13.3. Prices are to be submitted via the DfT's e-Sourcing Suite, Jaggaer, using Attachment 4 – Price Schedule excluding VAT and including all other expenses relating to Contract delivery.
- 13.4. Discounts or other efficiency mechanisms offered should be clearly indicated.

14. STAFF AND CUSTOMER SERVICE

- 14.1. The Supplier shall provide and have available a sufficient level of resource throughout the duration of the Contract in order to consistently deliver a quality service.
- 14.2. The Supplier's staff assigned to the Contract shall have the necessary skills, qualifications and experience to deliver the Contract to the required standard.
- 14.3. The Supplier shall ensure that staff understand the Authority's vision and objectives and will provide excellent customer service to the Authority throughout the duration of the Contract.

15. SERVICE LEVELS AND PERFORMANCE

- 15.1. The Authority will measure the quality of the Supplier's delivery by:

KPI/SLA	Service Area	KPI/SLA description	Target
1	Timing	Compliance with timescales Achieve delivery timescales as agreed for individual projects.	Response to all individual instructions within 3 working days. Timescales to be agreed within 5 working days of

			acceptance of instruction.
2	Quality of work undertaken	Outputs to be meet the departments requirements in terms of delivering on agreed objectives; high quality reporting; prompt undertaking of actions and high levels of communication and customer service	Measured in line with the agreed objectives against the specific project instructions and the expectation of this wider document.
3	Reporting	<p>Deliver reports to the quality required by the Department.</p> <p>Monthly reporting on the last working day of the month.</p> <p>Reporting to comply with individual project requirements.</p>	<p>100% reporting target.</p> <p>Monthly reports will include evidence of progress and successes supported by feedback received from stakeholders and colleagues.</p> <p>Delivery expectations will be set out during the instruction phase.</p>
4	Escalation points	Responsible senior manager for the supplier to be in place at all times managing the contract and a named senior director level escalation route to also be available as necessary.	Relevant persons to be contactable during normal office hours (Monday to Friday, 9am to 5pm) or to have made

			<p>arrangements for suitable alternative cover.</p> <p>Response to escalation required immediately (within 2 working days maximum).</p>
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15.2. The Department will require suppliers to report against these KPIs on a quarterly basis, with a clear plan for redress in case of failure to meet targets (in most cases, the supplier will be expected to remedy poor performance before the next quarterly meeting).

15.3. Should a supplier's performance be unsatisfactory, the Department reserves the right to depart from the taxi-rank system for allocating commissions, as described in 3.8.

16. SECURITY AND CONFIDENTIALITY REQUIREMENTS

16.1. The supplier should handle personal information in alignment with GDPR rules.

16.2. The outcomes of this contract, including use as a future case study are to remain confidential unless written permission is granted.

16.3. Staff will often work with confidential information and must keep this confidential and be prepared to sign a non-disclosure agreement if required.

17. PAYMENT AND INVOICING

17.1. The contractor will complete a monthly time sheet showing daily timings and a statement of how many days will be invoiced, in a suitable format agreed by DfT and get this signed off monthly by their designated DfT manager to confirm that the timings shown are correct and the work done is to a satisfactory standard. The DfT manager shall be given a copy (it is expected that this will be done electronically/by email). The supplier will use these timesheets to prepare invoices.

17.2. The Supplier shall submit an invoice on completion and sign-off every month and do this within 28 days of sign off of the last month. The invoice shall show the amount of VAT payable and bear this Purchase Order number. Save where an invoice is disputed, the Department shall pay the Contractor within 30 days of receipt of an invoice. Invoices must be sent to:).

[SSa.invoice@sharedservicesarvato.co.uk](mailto:ssa.invoice@sharedservicesarvato.co.uk)

Shared Services Arvato,
5 Sandringham Park,
Swansea,
SA7 0EA.

18. CONTRACT MANAGEMENT

18.1. Attendance at Contract Review meetings shall be at the Supplier's own expense and is not chargeable.

18.2. [REDACTED], Portfolio Lead: Development and Disposals, is the contract lead for the Department.

18.3. Contract review meetings will be quarterly or as required by DfT.

19. LOCATION

19.1. Our property assets are located nationally. DfT Group Property is based in London, Leeds, Birmingham and Hastings.