

## **PRE-QUALIFICATION QUESTIONNAIRE**

### **SECTION 1: INTRODUCTION AND INSTRUCTIONS**

#### **Project/Tender Title: Legal work and advice for The Crown Estate's London residential portfolio**

##### **Introduction and Instructions:**

Thank you for completing this questionnaire. The information it contains will be held in confidence by The Crown Estate and used only for the purpose of determining your suitability to tender for the provision of the above services.

Please provide your response as an unbranded Word document. Please do not supplement your response with additional or promotional information and brochures. All responses to the questions must be please kept to the point and (unless stated otherwise) should be no more than 250 words.

The Crown Estate is unable to guarantee any promise of tenders or work following the completion of this questionnaire.

##### **PQQ Timetable**

Activity	Date
Issue Pre-Qualification Questionnaire (PQQ)	14 <sup>th</sup> October 2024
Deadline for Tenderers' Clarification Questions	5pm; Wednesday 23 <sup>rd</sup> October 2024
Deadline for receipt of PQQ Response	12 noon; Friday 8 <sup>th</sup> November 2024
Notification to Suppliers for Invitation to Tender (if successful)	Week commencing 25th November 2024

This timetable is indicative and provided as a guideline only and may be subject to change. Any such amendment will be notified through Source Dogg to give Tenderers reasonable time in which to take the amendment into account in preparing their PQQ response. TCE may, at its discretion, extend the deadline for receipt of PQQ responses.

##### **Communication Protocol**

Any questions concerning aspects of the PQQ should be submitted through the e-sourcing portal [SourceDogg](#). Clarification questions can be submitted through the Messages feature within the Portal. This should be used for all queries and requests for clarification regarding the PQQ as it provides an effective and auditable trail. All questions will be secure and cannot be seen by any other Tenderers. The Crown Estate will publish the questions and the response, in a suitably anonymous form, via the Messages feature to all Tenderers before the closing date for the submission of the PQQ.

Tenderers should note that all queries and requests will be answered promptly up to three working days before the closing date for return of the PQQ.

Additional information about The Crown Estate can be found on our website: [www.thecrownestate.co.uk](http://www.thecrownestate.co.uk).

**PQQ Contact – Please provide contact details for the person who will be dealing with the tender process at this stage.**

<b>Name of contact:</b>	
<b>Name of organisation:</b>	
<b>Position:</b>	
<b>Telephone:</b>	
<b>Email:</b>	

## **SECTION 2: SUMMARY OF THE CROWN ESTATE'S LONDON RESIDENTIAL PORTFOLIO**

**Location:** Regent's Park, St James's, Kensington Palace Gardens, Eltham, Richmond, Pimlico and Hackney. A significant proportion of the portfolio is occupied under head leases and long leasehold interests. The AST/contractual tenancy portfolio is relatively small.

**Capital value:** £750 million.

**Average capital receipt per annum for LRA claims:** £10 million to £40 million.

**Number of units:** c. 1,500 (London).

**Residential units on ASTs:** 300 (London).

**Managing agents:** the property managing agency function transitioned in-house this year.

**Number of lease extension/freehold enfranchisement claims:**

### London

2020/21	20 claims completed
2021/22	13 claims completed
2022/23	20 claims completed
2023/24	20 claims completed
2024/25	45 current live claims (6 already completed).

### Windsor

2020/21	1 claim completed
2021/22	1 claim completed
2022/23	2 claims completed
2023/24	2 claims completed
2024/25	2 current live claims (none completed).

### Traditional

2020/21	8 claims completed
2021/22	6 claims completed
2022/23	3 claims completed
2023/24	11 claims completed
2024/25	6 current live claims (1 already completed).

## **SECTION 3: DESCRIPTION OF LEGAL SERVICES**

### **Objective of procurement**

We are looking to appoint one law firm to act on non-contentious and contentious real estate legal work generated by The Crown Estate's residential portfolio in London. This includes Leasehold Reform Act ("LRA") work associated with The Crown Estate's residential portfolio. In addition to London, the LRA work extends to the Windsor portfolio and other properties in a portfolio known as the "Traditional" portfolio. The mandate is subject to the exceptions listed in this PQQ.

Up to the present time The Crown Estate has separated out this work into two mandates: (1) non-contentious and contentious residential real estate legal work; and (2) LRA work. Currently two different firms deal with each mandate. The Crown Estate's strong preference is to consolidate the two mandates and appoint one firm to act. As a fall-back option, The Crown Estate reserves the right to appoint two firms for two mandates, continuing the current arrangements. This aspect will be picked up in more detail with those firms that are invited to tender. For the purposes of this PQQ, law firms must proceed on the basis that one firm is going to be appointed for all aspects of the work on offer and they must answer the PQQ questions on the basis of this assumption.

The Crown Estate has to consider the resilience of its legal panel, to the extent that it receives PQQ responses from law firms that are currently on its panel (on mandates other than this one). This PQQ requires confirmation as to whether law firms are currently on The Crown Estate's legal panel and, if they are, to confirm the mandates on which they act. In evaluating PQQ responses and considering who will be invited to tender, The Crown Estate reserves the right to take account of the resilience of its legal panel.

### **Conflicts**

We need to ensure that the successful law firm does not have material and multiple conflicts of interest. Minor conflicts are acceptable, provided that they do not have a material adverse impact upon the law firm's ability to act on the mandate. In evaluating PQQ responses and considering who will be invited to tender, The Crown Estate reserves the right to take account of the position on conflicts.

### **Work included in mandate**

The work in this mandate includes:

- Residential real estate (non-contentious): the preparation and negotiation of leases, property management documents (e.g. licences to assign/alter/underlet; rent review memos; surrenders; wayleaves and deeds of variation);
- Residential real estate (contentious): "business as usual" contentious work;
- Investment work (selling properties on a long leasehold basis);
- LRA work;
- Other legal specialist areas ancillary to usual portfolio activities. For example, advice on construction, planning, tax and health & safety matters ancillary to portfolio day-to-day activities;
- Precedents: maintenance of our property precedents for the Residential portfolio; and

- Online portal: the set-up, hosting and maintenance of an on-line portal. The portal will host deeds and other documents. Currently, The Crown Estate has its own in-house on-line deeds portal. This will be decommissioned at a future date.

It is critical that the law firm can service both ends of the mandate: daily "churn" and, when required, complex work and high value capital transactions. Resourcing requirements can vary and bidders must have the resources to service all aspects of the mandate.

The Crown Estate is a Crown body. Crown bodies are not bound by certain aspects of the enfranchisement legislation. During the passage of each iteration of the enfranchisement legislation through Parliament, an undertaking has been given to Parliament on behalf of Crown bodies. The parliamentary undertaking distinguishes between properties in areas known as "Non-Excepted Areas" and "Excepted Areas". The process for properties in Non-Excepted Areas is the same as under the enfranchisement legislation. Tenants may extend their lease or buy the freehold reversion, assuming that, by analogy, the statutory criteria are satisfied. The categories of properties in Excepted Areas are set out in the parliamentary undertaking. They include properties where there are security considerations and ones connected to historic Royal Parks and Palaces. For properties in Excepted Areas, The Crown Estate has a policy of acting within the spirit of the legislation.

The undertaking on behalf of Crown bodies in relation to the Leasehold and Freehold Reform Act 2024 (LAFRA) was made at Third Reading in the House of Lords by Baroness Williams of Trafford on Friday 24 May 2024. Only limited provisions of LAFRA are in force. As such, the undertaking given during the passage of the Commonhold and Leasehold Reform Act 2002 through Parliament remains relevant.

Our Non-Excepted and Excepted Area policies can be found on our website: [TCE policies](#).

#### Carve outs from the mandate

We offer near-exclusivity within the mandate but the appointment will exclude the following work:

- transactions with a capital value in excess of £50million;
- strategic or complex development work;
- high value, strategic or sensitive construction and planning legal work; and
- high value, strategic or sensitive litigation.

In respect of these areas, we may instruct the successful law firm on this work, but reserve the right to consider if the work can be better carried out by another of our panel firms. We will be looking to appoint a firm that has capabilities to service these areas.

#### **Current legal providers**

Forsters: non-contentious and contentious real estate legal work generated by TCE's residential portfolio in London.

Cripps: LRA work associated with TCE's residential properties in the London, Windsor and Traditional portfolios.

#### **Contract value**

Over the next five years, an estimated range of £1.5 m to £2m.

## **Volume of work**

### Forsters

Please see below data for the last 3 financial years (01.04. 21 to 31.03.24):

- **Total instructions received for three year period:** 276
- **Monthly average over three year period:** 8 new instructions per month
- **Highest number of new instructions in one month over three year period:** 15
- **Lowest number of new instructions in one month over three year period:** 3
- **Purchases:** none within 3 year period
- **Sales:** none within 3 year period
- **Miscellaneous management matters<sup>1</sup>:**
  - FY2021-22: 84
  - FY2022-23: 63
  - FY2023-24: 75
- **Lease instructions:**  
3 new leases and 3 renewals over the three year period
- **Property litigation matters:**
  - FY2021-22: 20
  - FY2022-23: 19
  - FY2023-24: 10
- **Planning matters:** 1 for the 3 year period

### Hours recorded

**Total number of hours recorded for each year within 3 year period:**

- FY2021-22: 710
- FY2022-23: 809
- FY2023-24: 904

### Existing legal resources

See estimate below the number of fee earners currently deployed and a range for the percentage of their time that they spend on the mandate.

### **Non-contentious residential real estate**

Role	Number	Percentage time (range)
Partner	1	3-5%
Counsel	0	-
Senior associate	3	4%-13%
Mid-range associate	1	3%
Associate	1	1%
Lawyer	0	-

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<sup>1</sup> Includes: licences to alter; assign; licences to sublet; rent review memos; surrenders; wayleaves and deeds of variation.

Trainee/ Paralegal	2	1%-6%
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#### **Contentious residential real estate**

<b>Role</b>	<b>Number</b>	<b>Percentage time (range)</b>
Partner	1	3-5%
Counsel	1	1% (maternity leave)
Senior associate	2	5%-6%
Mid-range associate	2	2%-5%
Associate	2	5%-11%
Lawyer	0	-
Trainee/ Paralegal	2	1%-6%

#### Cripps

The split of instructions between the London and other portfolios is roughly 70:30.

Please see below data for the last 3 financial years (01.04. 21 to 31.03.24):

**Total instructions received for three year period: 133**

**Monthly average over three year period: 4 new instructions per month.**

**Highest number of new instructions in one month over three year period: 13**

**Lowest number of new instructions in one month over three year period: nil.**

#### Hours recorded

Total number of hours recorded for each year within 3 year period:

- FY2021-22: 387
- FY2022-23: 475
- FY2023-24: 643

#### Existing legal resources

See estimate below the number of fee earners currently deployed and a range for the percentage of their time that they spend on the mandate.

<b>Role</b>	<b>Number</b>	<b>Percentage Time (Range)</b>
Senior Partner	3	0.4% - 13.2%
Junior Partner	2	0.4% - 4.8%
Senior Assistant	2	0.2% - 6.5%
Mid-range Assistant	3	0.1% - 2.8%
Junior Assistant	3	0.1% - 18.4%
Trainee/Paralegal	3	0.1% - 0.3%
Legal Executive	0	-

## **SECTION 4: PRE-QUALIFICATION QUESTIONNAIRE**

### **Question 1 – Firm Details / Information**

*Client data can be anonymised, if you are unable to secure consent from certain clients to disclose this information. In this case, you should provide as much information as possible to allow a full assessment of your response.*

*We appreciate that in answering some of the questions below, there may be a degree of overlap. For example, the clients/portfolios that you refer to in response to questions 2 and 3 may overlap.*

<b>Question</b>		<b>% Weighting / Commentary</b>
1.1	Please provide details of your annual turnover for the last three years in relation to UK residential real estate work. Please provide as a monetary figure and as a percentage of total annual turnover for your UK offices. Please provide details of the split in the monetary figure between non-contentious, contentious UK residential real estate work and LRA work.	5%
1.2	Please provide details of the number of partners and other fee earners in the UK dealing predominately with: <ul style="list-style-type: none"> <li>• non-contentious UK residential real estate work;</li> <li>• contentious UK residential real estate work; and</li> <li>• LRA work.</li> </ul> Where you have more than one UK office, please provide a breakdown as to the location of staff.	5%
1.3	Please explain why you consider that you have the experience and expertise to act on all aspects of this mandate.	5%
<b>Overall weighting for question 1:</b>		<b>15%</b>



**Question 2 – Expertise**

<b>Question</b>		<b>% Weighting / Commentary</b>
2.1	Please list your top three clients for non-contentious and contentious UK residential real estate work, by reference to billings, for your last three financial years.	10%
2.2	Please list your top three LRA clients, by reference to billings, for your last three financial years.	10%
2.3	How many LRA claims for lease extensions have you dealt with over the last three years? Please provide: (1) figures per annum where (a) you have acted for landlords and (b) you have acted for tenants; and (2) the percentage of claims that have settled at a premium of less than £500,000 and those that have settled at a premium of more than £500,000.	10%
2.4	Please provide two examples of significant contentious LRA matters where you have acted. Please explain how your involvement resulted in a successful outcome for your client. The word limit for the response to this question may be up to 500 words.	5%
2.5	Do you provide a full range real estate service (including LRA), for UK residential property portfolios, for existing landlord clients? Please provide no more than three examples of such clients, with a summary of the scale and nature of the portfolios and the services that you provide. Please aim to provide examples that have similarities to this mandate and The Crown Estate's residential portfolio. Please provide the approximate billings for each portfolio for your last three financial years. We are using billings as a reference point as to the scale of work that you do for these clients. The word limit for the response to this question may be up to 500 words.	15%
<b>Overall weighting for question 2:</b>		<b>50%</b>

**Question 3 - Capacity**

<b>Question</b>		<b>% Weighting / Commentary</b>
3.1	The mandate includes transactional and project progression work. A challenge in this regard is speed of transaction execution, for a multitude of transactional work at any one time, with varying degrees of legal complexity. Please explain how you will provide a consistently high level of service across all aspects of the mandate. Please provide examples of your existing mandates, to demonstrate that you have the resources to service this mandate. Please provide a summary of the scale and nature of each mandate. The word limit for the response to this question may be up to 500 words.	10%
3.2	What experience do you have of receiving a transfer of responsibility for comparable mandates? Did those transfers include the set-up of an on-line deeds portal? Please aim to provide examples that are similar to this mandate and summarise their scale, nature and the key challenges. The word limit for the response to this question may be up to 500 words.	10%
<b>Overall weighting for question 3:</b>		<b>20%</b>

#### **Question 4 - Conflicts**

<b>Question</b>		<b>% Weighting / Commentary</b>
4	<p>Please provide details of any material conflicts which could impact upon the instruction and how such conflicts would be approached.</p> <p>We appreciate that, in order to identify all conflicts (as opposed to material ones), you may require further information from us, which will be provided if you are invited to the next stage of the tender process. For information, we set out below our partners in London for our joint ventures that include residential properties.</p> <p><u>Joint venture partners:</u> Norges Bank Investment Management and Healthcare of Ontario Pension Plan.</p>	For information purposes only.
<b>Overall weighting for question 4:</b>		<b>For information purposes only.</b>

**Question 5 - Form of appointment**

<b>Question</b>		<b>% Weighting / Commentary</b>
5	<p>We attach marked “Annex A” the proposed form of appointment for the successful tenderer.</p> <p>Please confirm that there are no terms within the attached form of appointment that would prevent you from bidding. If there are any such terms, please list them. There is no need to provide detailed drafting. In relation to the evaluation of the response to this question, if bidders accept the proposed form of appointment as drawn, they will receive the most favourable score for this question. If terms listed in the PQQ response result in the risk allocation as set out in the appointment being less in TCE’s favour, they will receive a less favourable score.</p>	15%
<b>Overall weighting for question 5:</b>		<b>15%</b>

**Question 6 – The Crown Estate’s legal panel**

<b>Question</b>		<b>% Weighting / Commentary</b>
6	Please confirm if your firm is currently on our legal panel. If you are, please confirm the mandates on which you act.	For information purposes only.
<b>Overall weighting for question 6:</b>		<b>For information purposes only.</b>

## **SECTION 5: EVALUATION CRITERIA AND EVALUATION EXAMPLE**

Save where indicated otherwise, each question response will be evaluated and marked on a scale of 0-5 in accordance with the scoring criteria below – Table one.

The PQQ questions are fundamental to the selection of shortlisted Tenderers to the ITT stage. Therefore, Tenders should be aware that if they score less than 3 (0, 1 and/or 2) on any question their PQQ will automatically be rejected and will not be considered further.

Following the PQQ stage, The Crown Estate expects to shortlist and invite four to five Tenderers to the ITT stage.

**Table one – Scoring Criteria**

Scoring 0-5	Scoring Criteria
0	(No response) Failure to submit an answer or confirmation.
1	(Poor response) The question is not directly addressed and the answer demonstrates minimal understanding of the subject.
2	(Weak response) The answer only addresses some aspects of the question but overall does not demonstrate sufficient understanding of the subject matter.
3	(Satisfactory response) The answer addresses material aspects of the question and demonstrates sufficient understanding of the subject matter, although there may be some minor uncertainty or gaps in how it applies to this project.
4	(Good response) The answer addresses all aspects of the question and demonstrates a clear understanding of the subject matter with good consideration of how it applies to this project.
5	(Excellent response) The answer addresses all aspects of the question and demonstrates an exceptional understanding of the subject matter with excellent consideration of how it applies to this project.

The total weighting for the PQQ stage is **100%**.

The PQQ questions are weighted, showing the relative importance (expressed as a percentage) and the maximum possible score for each PQQ question.

**Table two – Pre-Qualification Questionnaire Weighting and Maximum Possible Score**

Question number	Weighting %	Maximum Score of 5 out of (0-5)
Question 1.1	5	25
Question 1.2	5	25

Question 1.3	5	25
Question 2.1	10	50
Question 2.2	10	50
Question 2.3	10	50
Question 2.4	5	25
Question 2.5	15	75
Question 3.1	10	50
Question 3.2	10	50
Question 4	For information purposes only.	See section entitled “Conflicts”
Question 5	15	75
Question 6	For information purposes only.	See section entitled “Objective of procurement”
TOTAL	100	500

*Note: Clarifications may be undertaken, for the sole purpose of clarifying written PQQ responses.*

**Please see the worked example below.**

**Example:**

Tenderer A is awarded a PQQ Score of 400 out of maximum possible score of 500.

$100 \times (\text{Tenderer A's PQQ score} / \text{maximum possible score})$ .

Tenderer A's PQQ Score is therefore 80%.

Tenderer B is awarded a PQQ Score of 340 out of maximum possible score of 500.

$100 \times (\text{Tenderer B's PQQ score} / \text{maximum possible score})$ .

Tenderer B's PQQ Score is therefore 68%.

All scores will be rounded to one decimal place.