

Drivers Jonas Deloitte.

# Invitation to Tender

## South Oxhey Initiative Site, Hertfordshire

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# Project Overview

## Project Aims and Objectives

The Council is seeking to deliver a mixed use regeneration opportunity within the heart of South Oxhey and the aspiration is that this scheme should include significant new private and social residential accommodation, a food store, new retail unit shopping together with community facilities.

The Council is seeking to select a development partner that can deliver a scheme and maximise the economic benefits arising from this in a manner that achieves best consideration in accordance with Section 123 of the Local Government Act 1972 and Section 233 of the Town and Country Planning Act 1990.

TRDC environmental, social and strategic objectives?

## Role of the Development Partner

The development partner will be responsible for:

- assembling a team with a track record and capability of delivering the high quality scheme required for this site, in line with the Council's aspirations;
- managing the development process;
- securing all requisite planning permissions;
- completing a S106 agreement with the Council, in its capacity as Planning Authority, together with any other necessary statutory agreements;
- carrying out the overall marketing and branding of the development and subsequent sales activity;
- engaging with existing retail tenants and the local community;
- working with Thrive or alternative RP to reach agreement on the commercial transaction (to determine the value of existing housing stock and cost to re-provide this housing stock) and manage the decant process;
- undertaking and managing the entire land assembly/CPO process, including any acquisitions by agreement; and
- delivering the scheme.

The Development Partner is expected to have the capacity to enter into a conditional sale agreement within 3 months from the date of appointment (end of March 2013) and, in tandem with this, commence the preparation of all necessary planning applications. These planning applications should be submitted within 6 months from the date of appointment (September 2013).

## Governance

A structure chart setting out the Council's internal governance is included on the Drivers Jonas Deloitte website. The Council envisages that its role as landowner will be primarily in supporting the Development Partner in preparing a scheme for the site. The Council will be the contracting authority for this project. Both the Council Officers and its Members are fully committed to this project and regard it as strategically important to the regeneration of the South Oxhey area. The Council's Officers and its Members have worked closely with the Council's consultants in developing the Brief for this project and also agreeing the key evaluation requirements against which Tender submissions will be assessed.

## Professional Team

The Council's professional team for this exercise comprises its Officers, who are supported by the Council's property consultants, Drivers Jonas Deloitte and its external legal advisers, Clarke Willmott.

The selection of a Development Partner will be undertaken by the evaluation team which comprises:

- Council Officers (Property)
- Drivers Jonas Deloitte (Commercial Property)
- Clarke Willmott (Legal Agreement)

The Council aims to report to its Executive Committee on the selection of a Development Partner by the end of March 2013.

# 1 Introduction and Instructions to Tenderers

## Introduction

Please return all required information requested in the format set out within Section 4. Submissions will be evaluated on the basis of the criteria set out in Section 5 and, following any further required clarification, the Council intends to appoint a Development Partner.

## Weblink

All Tenderers will be provided with a weblink to access supporting information relating to this tender process via a secure part of the Drivers Jonas Deloitte website. Please note that given the sensitive nature of some of the supporting information contained on the website all Tenderers will be required to sign and return a Confidentiality Undertaking before being granted access. An email response with a scanned signature is acceptable.

## Anticipated Programme

Stage	Timescale
<b>ITT issued to shortlisted parties</b>	By 14 <sup>th</sup> January 2013
<b>Pre submission clarification meetings</b>	As required on dates to be confirmed
<b>ITT returns</b>	12:00 hrs on 11 <sup>th</sup> March 2013
<b>Confirmation of Development Partner (subject to Council approval)</b>	End of March 2013
<b>Council enters into legal agreements with Development Partner</b>	End of June 2013
<b>Detailed design for planning applications(s)</b>	April 2013 to September 2013
<b>Submission of planning application(s)</b>	September 2013

*\*It is anticipated that a Development Partner will prepare and submit an outline application for the entire site and a detailed application for the first phase.*

## Pre Submission Clarification Meetings

Each of the Tenderers will be given an opportunity to meet with the Council and its advisors to seek clarification on any matters relating to the ITT and its requirements. Dates and times for these meetings are to be agreed in due course.

## Enquiries and Communication

All questions from Tenderers (including their consortium members) must be directed to Davena Wilson ([davenwilson@djdeloitte.co.uk](mailto:davenwilson@djdeloitte.co.uk) Tel. **020 7303 4160**) of Drivers Jonas Deloitte **by phone or email**.

The Council, and its advisors, will answer all questions as quickly as possible, but cannot guarantee a minimum response time.

Please do not approach third parties on the Site directly; the Council's preference is for all communication to be directed via Davena Wilson in the first instance.

## Instructions for Submitting Tenders

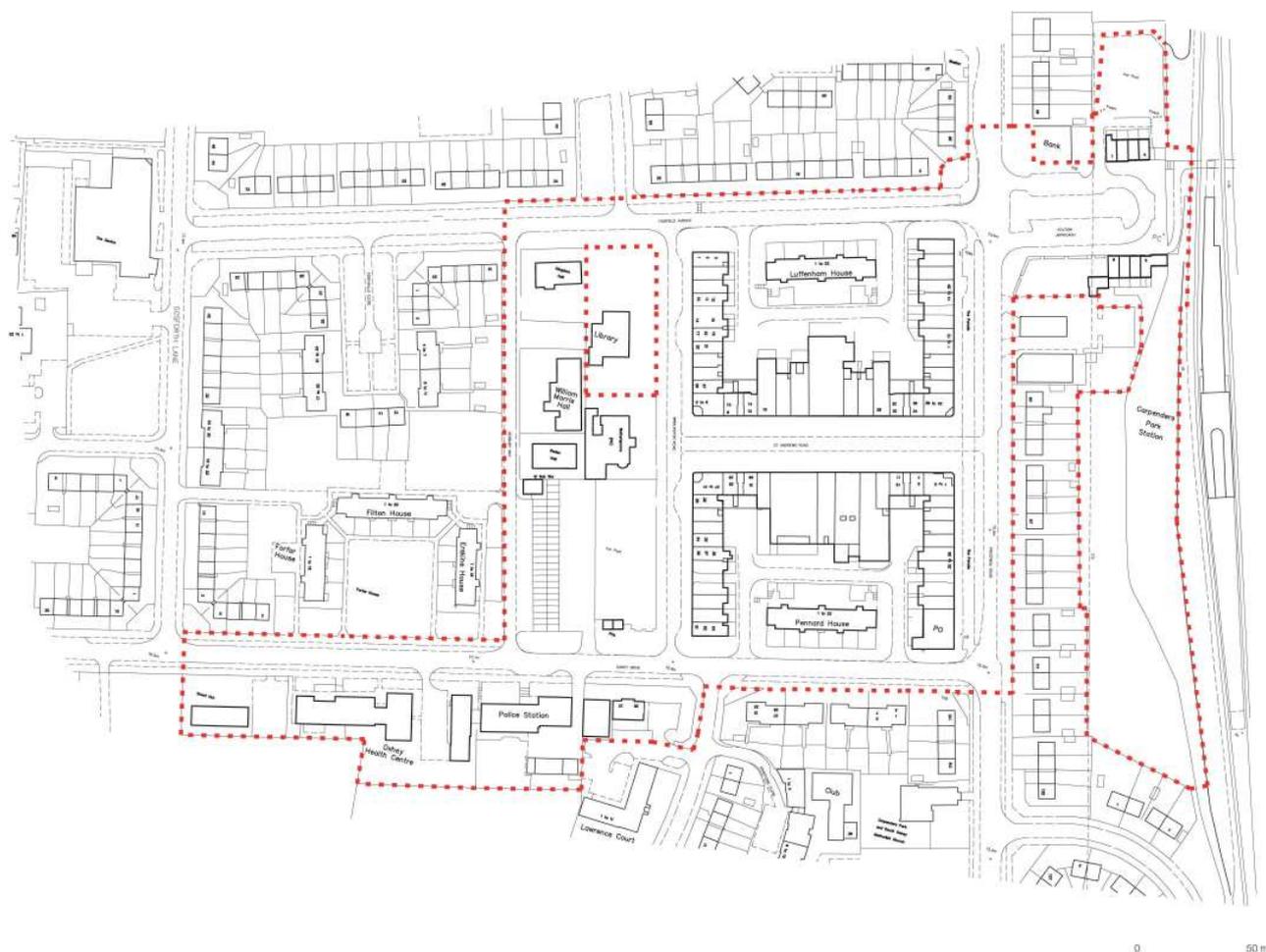
The deadline for submission of Tenders is **12:00 hours (noon) on 11<sup>th</sup> March 2013**

Completed Tenders are to be returned by post to Three Rivers District Council Offices, Rickmansworth to arrive by the deadline date and time above. Your completed Tender should be returned sealed securely in an opaque envelope/parcel, with the enclosed address labels affixed to the front and back of the envelope/parcel and bear no distinguish marks that identify the sender. Address labels are included on the Drivers Jonas Deloitte website.

# 2 The Site

## Introduction

The Site is located within the heart of South Oxhey, very close to Carpenders Park mainline station and is bounded by Fairfield Avenue to the north, Station Approach and Prestwick Road to the east, Oxhey Drive to the south and Henbury Way to the west, as illustrated below.



The Site includes a mixture of retail unit shopping, social housing, community uses and surface car parking. South Oxhey functions as a District Centre and therefore serves the local community's basic, day to day shopping needs. There are 74 existing retail units (spread across 68 individual outlets) a significant proportion of which are small national convenience outlets e.g. Greggs, Co-op, Nisa and McColls. There are no national multiples trading as comparison outlets as these tend to be small independent operators.

The Council's aspiration is for a comprehensive site redevelopment as a wider scheme is better able to deliver economic, social and environmental enhancement of the area, in addition to increased housing (which is in line with planning policies within the Core Strategy). Tenderers should note that a comprehensive site redevelopment would include community facilities that do not fall within the Council's land ownership and these would require replacement within any new scheme.

However, recognising that the Council needs to be flexible in the face of any delivery or viability issues that Tenderers may highlight and, in recognition of the potential risk associated with assembling the existing community facilities, there is an opportunity to develop and deliver a smaller scheme. For the avoidance of doubt, the Council will consider Tenders based on a *smaller site area*.

## General Site Constraints/Available Technical Reports

The Drivers Jonas Deloitte website includes a Preliminary Feasibility Report. This report provides background information on general site constraints and includes the following technical information:

- Spot level survey
- Desk top environmental report
- Services information (water, gas, electricity and telecommunications)
- Highways
- Foul and surface water drainage

In addition, the website also includes an abridged version of the Lambert Smith Hampton Retail Report and a report on the local residential market (prepared by Site Sales Ltd).

## Thrive Homes

Thrive Homes own all of the social housing units within the site. There are 98 flats in total, arranged in blocks, the majority of which are located above the retail unit shopping.

Tenderers will already be aware that the Council has sought to reach agreement on terms for the purchase of Thrive's existing stock and provision of new stock to replace their 98 social rented flats. Whilst the working assumption has been that any replacement units would be acquired by Thrive, given that negotiations with Thrive have not been concluded, the Council advises that Tenderers are free to put forward alternative proposals for this aspect of the scheme. In other words, proposals setting out how any replacement units would be delivered and managed will be given full consideration by the Council. No definitive decision is needed, at this stage, on any alternative proposed Registered Provider.

As a legal transaction with Thrive has not been agreed, and in order to ensure fairness in the process, please **do not contact Thrive directly as any such contact could result in your disqualification from the process**. A legal transaction will form part of a partnering arrangement to be agreed with the Development Partner in due course. This legal agreement is likely to be tri-party and include the Development Partner, the Council and Thrive.

Tenderers should note that the final number of social housing units will be subject to any property sales under the RTB/RTA process.

## Levitt Bernstein Capacity Study

A report, prepared by Levitt Bernstein, summarising the capacity study, consultation process and outcome is available to view on the Drivers Jonas Deloitte website.

# 3 The Council's Aspirations

## Development Aspirations

As previously mentioned, the Council's aspiration is to achieve a comprehensive redevelopment of the South Oxhey area. The Council has itemised its aspirations so that Tenderers may better understand the Council's priorities:

- Mixed use redevelopment of the site;
- An anchor food store (s) totalling 25,000 sq ft. net sales area;
- Additional 25,000 sq ft.net of complimentary retail unit shopping;
- An affordable housing component of 98 replacement homes on a like for like mix of social rent, with a minimum of 50 being delivered as a first phase to facilitate the decant of the first block;
- The maximum level of additional new residential accommodation that planning requirements, amenity levels and site constraints will allow;
- A financial offer to the Council (see below for further detail on this point); and
- The re-provision of existing community facilities within the site - the Development partner would only need to re-provide these existing facilities if any (or all) of the existing facilities are displaced by the proposed scheme.

## Community Engagement

The local community has been consulted extensively on the proposals for regeneration of the Site including the development of a site wide Masterplan. The Council will continue to manage the process of community consultation during the tender process. Following selection of a Development Partner, the Council anticipates that it will jointly approach relevant stakeholders and the local community as part of any subsequent planning application process.

## Financial Expectations

The Council, as landowner, is prepared to use its assets to achieve the regeneration of the area. The Council is expecting to receive a return for this and is requesting that Tenderers put forward a financial offer (on any suitable basis) that maintains overall viability of the scheme. The Council's aspiration is for:

- Overage – by reference to an agreed formula in relation to sales values which are achieved in excess of an initial agreed threshold
- An ongoing income stream from the completed development – in the form of a ground rent, reviewable at agreed periods, on an agreed formula under the investment lease of retail and residential elements.

The Council is not intending to input any further capital into the project; however it expects its reasonable costs in promoting this opportunity to be recovered as a capital payment *in the event that a transaction proceeds*. An appropriate cap on these costs will need to be agreed between the Council and its Development Partner.

The Council's preference is to minimise its exposure to risk with respect to planning and land assembly, however The Council is prepared to underwrite the costs associated with the preparation of a planning application and pursuing a compulsory purchase order *in the event that a transaction does not proceed*. An appropriate cap on these costs will need to be agreed between the Council and its Development Partner.

# 4 Tender Requirements

## Information Required

### Part 1 – Resourcing (Not scored, for information only)

Details of the **project team** to include the roles and responsibilities of individual members of the team, ideally in bullet point form. We are interested in understanding how you intend to resource the project, particularly those individuals that will have day to day contact with the Council team therefore please do not include general corporate CVs and marketing material.

### Part 2 – Scheme Concept (Scored)

Details of your **Conceptual ideas for the Site** to provide those assessing your submission with an explanation of the vision, scheme content and anticipated development phasing.

### Part 3 – Financial and Legal Deliverability (Scored)

A completed **Financial Schedule** in the format set out on the Drivers Jonas Deloitte website. The schedule provides Tenderers with the opportunity to clearly set out scheme costs and values in a format that can be easily assessed. Tenderers should include an explanatory statement setting out developer profit margins, development management fees, the amount of capital that the Developer is prepared to invest at risk and the quantum of potential return to the Council. In addition, a copy of the Developers' own version of the project appraisal is required.

A **Development Cashflow**, in excel format, that includes a profile of all costs (including profit margins, fees and finance), commercial revenue, residential revenue (on a phased basis if appropriate) and the timing of any financial return to the Council. Formulas may be restricted to protect commercial and intellectual property.

A **Funding Structure Chart** (and accompanying explanatory statement if necessary) that sets out:

- the entity that will be entering into a legal agreement with the Council;
- proposed funding sources and the timing of draw down for these funds; and
- confirmation that the Tenderer is willing to provide a parent company guarantee (to guarantee physical and financial performance throughout the duration of this project). Please provide details of the proposed parent company guarantee.

Draft **Head of Terms** for a Conditional Sale Agreement are available on the Drivers Jonas Deloitte website. Although this is the Council's preferred legal structure, it is not fixed. Please **provide comments on areas that raise cause for concern and/or you are not prepared to agree or outline an alternative approach.**

## Submission Format

Tenderers should supply the following information:

- 8 bound hard copies. Parts 1 and 2 should be bound as a single document. Part 3 should be bound separately.
- 3 electronic copies on CD

# 5 Tender Evaluation

## Evaluation Process

Submissions will be evaluated on the basis of scheme content and financial and legal deliverability. The table below includes the relevant sub-criteria for each evaluation area:

Evaluation area	Sub-criteria
<b>Scheme concept</b>	<p><b>Level of detail and quality of submission</b> – has a good quality, informative and well presented response been provided?</p> <p><b>Design approach/concept</b> – does the vision and scheme respond to the design principles set out within the Design Brief?</p> <p><b>Development aspirations</b> – does the scheme address the Council's development aspirations?</p>
<b>Financial and legal deliverability</b>	<p><b>Robustness of assumptions</b> – how robust are the cost and value assumptions and are these commercially competitive? Are the assumptions for developer profit margins and development management fees reasonable?</p> <p><b>Financial package to the Council</b> – What is the value of the financial package to the Council and is this realistic and financially beneficial to the Council? How deliverable is the financial offer to the Council? Is a revenue stream or overage included? If so, is this beneficial to the Council?</p> <p><b>Funding</b> – Are the proposed funding sources credible? Are the assumptions realistic?</p> <p><b>Response to Heads of Terms</b> – Do any amendments seek to change the risk profile or commercial balance of the proposed arrangement? Is the alternative approach acceptable?</p>

The successful Tenderer will be the Tenderer that, in the opinion of the Council at the conclusion of the evaluation, achieves best consideration in accordance with Section 123 of the Local Government Act 1972 and Section 233 of the Town and Country Planning Act 1990.

# 6 Disclaimers and Important Information

## General

The All material issued in connection with this ITT shall remain the property of the Council and shall be used only for the purpose of this tender exercise. All due diligence information shall be either returned to the Council or securely destroyed by the Tenderer (at the Council's option) at the conclusion of the tender exercise. The Tenderer shall ensure that each and every sub-contractor, consortium member and adviser abides by the terms of these instructions and the Conditions of Tender.

The Tenderer shall not make contact with any other employee, agent or consultant of the Council who are in any way connected with this procurement exercise during the period of this procurement exercise, unless instructed otherwise by the Council. The Council shall not be committed to any course of action as a result of:

- issuing this ITT or any invitation to participate in this tender exercise;
- communicating with a Tenderer or a Tenderer's representatives or agents in respect of this tender exercise; and/or
- any other communication between the Council and any other party.

Tenderers shall accept and acknowledge that by issuing this ITT the Council shall not be bound to accept any Tender. The Council reserves the right to amend, add to or withdraw all or any part of this ITT at any time during the tender exercise. The Council reserves the right to proceed with a Reserve Tenderer should acceptable terms not be agreed with the appointed Development Partner within a reasonable period.

## Preparation of Tender

Tenderers must obtain for themselves, at their own responsibility and expense, all information necessary for the preparation and submission of Tenders and all other stages of the evaluation and selection process. Under no circumstances will the Council, or any of their advisers, be liable for any costs or expenses borne by Tenderers, sub-contractors, suppliers or advisers in this process.

Tenderers must form their own opinions, making such investigations and taking such advice (including professional advice) as is appropriate, regarding the proposed development and their Tenders, without reliance upon any opinion or other information provided by the Council or their advisers and representatives. Tenderers should notify the Council promptly of any perceived ambiguity, inconsistency or omission in this ITT, any of its associated documents and/or any other information issued to them during the tender process.

## Submission of Tenders

The Council may, at its own absolute discretion, extend the closing date and the time for receipt of Tenders and any extension granted will apply to all Tenderers. Tenders received before the deadline will be retained in a secure environment, unopened until the opening date. The Council does not accept responsibility for the premature opening or mishandling of Tenders that are not submitted in accordance with these instructions.

## Confidentiality

Subject to the exceptions referred to in this document, the content of this ITT is being made available by the Council on the strict condition that:

- Tenderers shall at all times treat the contents of the ITT and any related documents (together called the 'Information') as confidential, save in so far as they are already lawfully in the public domain;
- Tenderers shall not disclose, copy, reproduce, distribute or pass any of the Information to any other person at any time or allow any of these things to happen;
- Tenderers shall not use any of the Information for any purpose other than for the purposes of submitting (or deciding whether to submit) a Tender; and
- Tenderers shall not undertake any publicity activity in relation to this matter within any section of the media.

Tenderers may disclose, distribute or pass any of the Information to the Tenderer's advisers, sub-contractors or to another person (the definition of 'person' includes but is not limited to any person, firm, body or association, corporate or incorporate) provided that either:

- This is done for the sole purpose of enabling a Tender to be submitted and the person receiving the Information undertakes in writing to keep the Information confidential on the same terms as if that person were the Tenderer; or
- The Tenderer obtains the prior written consent of the Council in relation to such disclosure, distribution or passing of Information; or
- The disclosure is made for the sole purpose of obtaining legal advice from external lawyers in relation to the procurement or to any agreement arising from it; or
- The Tenderer is legally required to make such a disclosure.

The Council may disclose detailed information relating to Tenders to its officers, employees, agents or advisers and the Council may make any of the documents available for private inspection by its officers, employees, agents or advisers. Without prejudice to the foregoing paragraphs, Tenderers are required to complete the Confidentiality Undertaking on behalf of themselves and any consortium members or named sub-contractors.

## Freedom of Information

In accordance with the obligations and duties placed upon public authorities by the Freedom of Information Act 2000 (the 'FoIA') and the Environment Information Regulations 2004 (the "EIR"), the Council may, acting in accordance with the Secretary of State's Code of Practice on the Discharge of the Functions of Public Authorities under Part 1 of the FoIA Act, be required to disclose information submitted by the Tenderer to the Council. In respect of any information submitted by a Tenderer that it considers to be commercially sensitive the Tenderer should explain the potential implications of disclosure of such information and provide an estimate of the period of time during which the Tenderer believes that such information will remain commercially sensitive.

Where a Tenderer identifies information as commercially sensitive, the Council will endeavour to maintain confidentiality. Tenderers should note, however, that even where information is identified as commercially sensitive, the Council may be required to disclose such information in accordance with the FoIA or the EIR. In particular, the Council is required to form an independent judgment concerning whether the information is exempt from disclosure under the FoIA or the EIR and whether the public interest favours disclosure or not. Accordingly, the Council cannot guarantee that any information marked 'confidential' or "commercially sensitive" will not be disclosed.

## Canvassing

Any Tenderer who directly or indirectly canvasses any officer, member, employee, or agent of the Council concerning the Tender or who directly or indirectly obtains or attempts to obtain information from any such officer, member, employee or agent concerning any other Tenderer, Tender or proposed Tender will be disqualified.

## Disclaimers

Whilst the information in this ITT and further information and supporting documents have been prepared in good faith, it does not purport to be comprehensive nor has it been independently verified. Neither the Council, nor its

advisers, nor their respective directors, officers, members, partners, employees, other staff or agents: (a) makes any representation or warranty (express or implied) as to the accuracy, reasonableness or completeness of the ITT; or (b) accepts any responsibility for the information contained in the ITT or for the fairness, accuracy or completeness of that information nor shall any of them be liable for any loss or damage (other than in respect of fraudulent misrepresentation) arising as a result of reliance on such information or any subsequent communication. Any persons considering making a decision to enter into contractual relationships with the Council following receipt of the ITT should make their own investigations and their own independent assessment of the Council and its requirements and should seek their own professional financial and legal advice.

## Property Misdemeanors Act 1991

The Council (and its advisers) give notice that:

- The particulars are set out as a general outline only for the guidance of Tenderers and do not constitute, nor constitute any part of, an offer or contract;
- All descriptions, dimensions, references to condition and necessary permissions for use and occupation, and other details are given without responsibility and any intending Tenderer should not rely on them as statements or representations of fact but must satisfy themselves by inspection or otherwise as to the correctness of each of them; and
- No person in the employment of the Council (or engaged by it in an advisory capacity) has any authority to make or give any representation or warranty whatever in relation to the properties referred to herein.

## Collusion

Any Tenderer who:

- fixes or adjusts the amount of its Tender by or in accordance with any agreement or arrangement with any other party; or
- communicates to any party other than the Council the amount or approximate amount of its proposed Tender or information which would enable the amount or approximate amount to be calculated (except where such disclosure is made in confidence in order to obtain quotations necessary for the preparation of the Tender or insurance or any necessary security); or
- enters into any agreement or arrangement with any other party that such other party shall refrain from submitting a Tender; or
- enters into any agreement or arrangement with any other party as to the amount of any Tender submitted; or
- offers or agrees to pay or give or does pay or give any sum or sums of money, inducement or valuable consideration directly or indirectly to any party for doing or having done or causing or having caused to be done in relation to any other Tender or proposed Tender, any act or omission shall (without prejudice to any other civil remedies available to the Council and without prejudice to any criminal liability which such conduct by a Tenderer may attract) be disqualified.

## Withdrawal of Tender

Tenderers may withdraw their Tender at any time prior to the deadline. The notice to withdraw the Tender must be in writing and sent to the Council by recorded delivery or equivalent service and delivered to the Council at the address set out on the Drivers Jonas Deloitte website.

## Misrepresentation Act 1967

Whilst all the information in this ITT is believed to be correct, the Council cannot guarantee its accuracy nor is it intended to form part of any contract.

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