
EXTRACT ONLY



HARINGEY COUNCIL

INVITATION TO SUBMIT FINAL TENDERS

HARINGEY DEVELOPMENT VEHICLE

OJEU REFERENCE: 2016/S 008-010032

December 2016

3 FINAL TENDER (ISFT) RETURN REQUIREMENTS

Introduction

The Authority has set out below the requirements of Bidders in responding to the ISFT and preparing their Final Tenders.

Please note the Final Tenders will form the basis of the structural documentation that will be used to establish, manage and govern the HDV. As such, Final Tenders will take the form of the:

- Strategic Partnership Business Plan;
- Development Business Plans for all Category 1 sites (Northumberland Park, Wood Green and Cranwood);
- Investment Business Plan;
- Financial Model; and
- Legal documentation.

The Strategic Partnership Business Plan, the Development Business Plans and the Investment Business Plan are collectively referred to as 'the Business Plans'. The Authority is seeking Business Plans that best address and meet its stated Level 2 criteria in terms of Place Making, Social and Economic Benefits, Delivery and Financial Proposal. Bidders' responses on the legal documentation will confirm their approach to Legal Structure and Governance.

The structural and legal documentation must enshrine the agreed HDV objectives.

1. The Strategic Partnership Business Plan must incorporate the over-arching HDV strategic objectives; and
2. The Development Business Plans must incorporate the site specific objectives.

Suggested formats for the Business Plans are set out at Schedule 2 of the Members' Agreement. These formats are not fixed and Bidders are invited to tailor the format of each Business Plan as required, provided that it remains clear how the HDV objectives will be met and under which evaluation criterion/criteria Bidders would expect each element to be assessed.

Set out below are the key areas, within each of the Level 2 criteria, that the Authority expects to be covered (as a minimum) within the Business Plans. Bidders should also refer to the guidance and issues regarding the Authority's vision and objectives for the Borough as set out in Appendix 3.

1. Place Making

Development Business Plans should provide appropriate information relating to design and commentary on scheme proposals (schematic layouts and specifications). These should explicitly address the Authority's stated objectives as set out in Appendix 3 of this ISFT. These are expected to be provided to RIBA Stage 1 (Preparation and Brief) and should also include:

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- Concept scheme designs;
 - Masterplans at 1:1,250 (as site plans);
 - Appropriate cost information;
 - Project/phasing strategy (as relevant); and
 - Visual representations via a mix of sketches and CGIs (which do not need to be fully rendered).

A Design Report which is expected to set out the architectural response to the following key themes:

- Interpretation of the brief;
- The vision for the area;
- The site;
- Massing studies;
- Layout;
- Master plan approach;
- Public realm / approach to landscape design;
- Access;
- Sustainability; and
- Character analysis and heritage.

Northumberland Park

In respect of Northumberland Park, however, the Authority has some particular requirements.

The Northumberland Park Business Plan should include, inter alia, the following key elements:

1) For the first phase of the Northumberland Park regeneration scheme (the existing Northumberland Park Community School site) more developed design proposals (including master plans at 1:500 and 1:200) are expected.

2) Ensuring that there is effective 'place integration' between the Northumberland Park regeneration scheme and the emerging Tottenham Hotspur FC and High Road West redevelopments will be a key challenge for the HDV. Bidders should set out how they would develop a design framework (including buildings; typologies; spaces) for Northumberland Park that would ensure there was link up and integration between the three schemes. The Northumberland Park Development Business Plan should reflect the need to consider security and crowd management controls.

Public Realm

The Northumberland Park Development Business Plan needs to set out three key elements in relation to public spaces, streets and open spaces:

1) Setting out a 'Streetscape Strategy' for the Northumberland Park regeneration scheme. As well as setting out street hierarchies and methodologies for design and activation, it should focus on:

- Setting out how Northumberland Park will connect, and be integrated with, the emerging Tottenham Hotspur FC and High Road West redevelopments; and
- The roles Park Lane and Northumberland Park (road) will have as 'public spaces' within the Northumberland Park regeneration scheme and as key routes linking with activity (the High Road; the stations) and open spaces (Bruce Castle Park; Lee Valley Park) to the east and west of the regeneration area.

2) Linked to number 1 above, the Lee Valley Park is one of Tottenham's best assets and should be exploited as a key value generator and part of the place making story for Northumberland Park. Please set out proposals for physical and perceptual (e.g. legibility improvements and the implementation of recreational uses in the Lee Valley Park) investment, infrastructure changes and projects which will effectively link the Northumberland Park regeneration scheme with the Lee Valley Park (Bidders should refer to the draft Green and Open Spaces Strategy for Tottenham Hale.)

3) Place management: please set out the approach to implementing a single, high quality maintenance regime across a phased redevelopment of the scheme, with a particular focus on Phase 1.

Outside Broadcast Facilities

The Authority is in the process of agreeing the terms of a deal to lease Tottenham Hotspur Football Club (the "Club") land for its outside broadcast requirements. This will require a Council Executive (Cabinet/Leader) decision. Bidders are asked to plan for this in the concept masterplan work for the Northumberland Park Community School site. As per previous documents the total space required is up to a maximum of 2,800 sqm. The position with regard to options involving St Paul's and All Hallows Church of England Junior and Infants School, and the consequent implications remain as per the ISDS document.

However, contrary to the provisions of the ISDS document, if Bidders wish to consider an integrated solution within new developments they are at liberty to do so. External surface solutions remain welcome. The outside broadcast space shall not be by the eastern entrance to the stadium. A summary of the terms of the lease is attached. This will be updated as necessary, and bidders informed following agreement by the Club. The necessary consents to enable this lease are applied for and it is anticipated they will be obtained in this calendar year.

As outlined by Tottenham Hotspur during dialogue, the Club has agreed to host NFL American Football matches and requires space to accommodate fanzone facilities on matchdays. The Authority is generally supportive of this principle, albeit it has not taken any formal decision on the suggested fanzone, and wishes bidders to allow for the potential use twice a year of a portion of the regeneration area for this purpose. This land is likely to be devoted to public realm. It is considered that this should be a minimum of 2,000 sqm, likely to be adjacent to the

eastern entrance to the stadium, and separate from the outside broadcast space, but the Authority has not fixed the design or extent of an area. Nor has the Authority agreed any commercial terms or the basis on which this will happen. The club does have aspirations to increase the number of matches. All of these matters will be for negotiation between the HDV and the Club.

Bidders are aware that the Club has further aspirations with regard to traffic movements, space for security checks and potential additional space to allow enhanced crowd control. In addition there are security, safety and transport implications which will need to be considered. Bidders are advised that all of these in terms of both design and commercial aspects are for discussion, negotiation and agreement between the Club and the HDV.

Education

The early delivery of a new school at Northumberland Park is a key imperative for the regeneration scheme – both in terms of phasing and as a value generator for the HDV. The funding of the school is currently assumed to come via the Authority's overall capital programme (the Authority's Capital Strategy identifies £18.2 million for this) with the balance from the Education Funding Agency (EFA). There is, though, no guarantee that the EFA would provide this funding.

Bidders are asked to set out an alternative funding strategy that could be implemented if the approach set out above does not come to fruition. Bidders should set out any impacts they believe this would have on scheme delivery.

Wood Green

Authority Office Accommodation

Bidders are referred to Appendix 3 for further background on the Authority's requirements for office accommodation. Bidders should provide a narrative as to how the HDV would deliver the Authority's requirements on either of the sites and should set out the preferred approach to funding the construction of the facility and the preferred funding of the accommodation.

The Authority expects that the HDV will build the facility for the Authority for transfer to the Authority's ownership on a turnkey basis. However, the Authority welcomes submissions outlining alternative or innovative solutions for the funding and payment of the accommodation. The Authority wishes to minimise the costs of both the construction and its long term financial obligations.

Bidders will be evaluated on their response to this task under the 'Delivery' and 'Funding' evaluation criteria. As no design work is required now, points will not be awarded under the 'Placemaking' criterion.

Sustainability and Energy

The Business Plans should identify innovative and deliverable approaches to overcoming financial and institutional barriers (perceived or otherwise) to achieving the best possible sustainability outcomes.

The Strategic Partnership Business Plan should set out how the HDV will actively deliver the Authority's ambition to improve the local environment and performance of new developments and existing building stock for which it will be responsible. Bidders are also encouraged to propose ways in which the HDV could contribute to improvements in other domestic and non-domestic stock in the Borough, and drive wider sustainability improvements that go beyond building performance. In all cases, Bidders are encouraged to exceed the requirements of planning policy where appropriate.

Detail should include, as appropriate, the approach to:

- New development to be bought forward by the HDV;
- The existing commercial portfolio to be transferred to the HDV;
- Other domestic and non domestic stock in the Borough;
- Delivering wider enhancements beyond the building stock;
- Indicative delivery models, for example considering resourcing, financing, supply chain, balancing potential viability tensions, as well as suggested key performance indicators and outcomes; and
- Best value, benchmarking, monitoring and continuous improvement.

Each site-specific or portfolio-specific Business Plan should set out a clear and detailed sustainability and energy strategy for the site/portfolio in question. The Northumberland Park Development Business Plan should set out a clear and detailed sustainability and energy strategy for the Northumberland Park site as a whole, not just the initial phases. These strategies should include:

- The reasoning for the approach chosen, including how the strategy addresses site and development specific opportunities and constraints, and balances sustainability with the Authority's other objectives;
- Illustration of how the energy hierarchy has been observed, illustration of the approach to site-wide energy and – where relevant – proposals for integration with the Authority's emerging plans for district energy networks in North Tottenham and Wood Green;
- A statement of key assumptions, including on the financial model and anticipated improvements to building regulations over the life of the build-out; and
- Details of other sustainability measures to be delivered and how any identified local environmental factors would be addressed.

2. Social And Economic Benefits

Bidders should identify at least two social and/or economic priority initiatives. At least one of these should be in the field of jobs and skills, whilst the other(s) should be based on the Authority's other published priorities, and any assessment of local need or opportunity identified by Bidders. These proposals should appear in the Strategic Partnership Business Plan, or in individual Development Business Plans, depending on whether they will be HDV-wide or site-specific.

The detail should include:

- Detailed, costed analysis as to how the HDV will contribute to these issues;
- Approach to delivery;
- Starting up;
- Integration with other Authority services;
- Resourcing (staffing and financial);
- Five year costings;
- Outputs and outcomes;
- Any mechanism for incentivising the HDV to deliver outputs and outcomes; and
- Post development exit / endowment plan.

As part of this, Bidders are required, within the Northumberland Park Development Business Plan, to respond to the three key themes for social and economic outcomes identified in Appendix 3. In particular, Bidders should identify:

- Under Theme 1 – *Create Better Prospects* – opportunities to maximise employment, training and apprenticeship opportunities and pathways to enable local people to access and benefit from these opportunities; proposals for commercial quantum and typologies; and proposals for ensuring that local businesses and the local economy in general are able to benefit from the regeneration and development opportunities the Northumberland Park scheme will provide;
- Under Theme 2 - *Enable Healthy and Safe Lives* - proposals for enabling healthy and safe lives by: improving connectivity and designing healthy and safe places that support active aging, wellbeing and healthy lifestyles; improving access to art, culture and sport facilities; supporting future community initiatives; and delivering social and community infrastructure that provides integrated services and supports community cohesion by enabling current and new communities to mix;
- Under Theme 3 – *Build Community Capacity* – proposals for ensuring that Northumberland Park becomes an area where: its people and communities are confident, resilient and able to shape the conditions that affect their local environment, family and social circumstances; all groups of residents feel empowered to access and take advantage of the new social and economic opportunities that

regeneration will bring; a stronger and more connected local community ensures that positive change in Northumberland Park is inclusive and lasting.

Community Engagement Strategy

The development of regeneration proposals and master plans require the input of the local community and stakeholders. Typically, this includes their involvement in the development of principles, options and a preferred option for regeneration. As well as being a legal requirement and a basic tenet of good planning, the effective involvement of local communities in shaping and owning regeneration plans will ultimately create a more optimal scheme and provide the platform for more expeditious delivery. It would not have been appropriate, though, at this stage of the HDV process for a community engagement process to take place that involved the three potential HDV partners, nor would it have been appropriate for the Authority to engage in a dialogue with the local community over any emerging aspects of the Bidders' proposals. This makes it particularly important that Bidders set out, in their Business Plans, their overall and site-specific proposals for community engagement, which (among other things) take account of the fact that the Business Plans agreed in early 2017 will not yet have been subject to such engagement.

There are particular sensitivities around engagement for estate renewal projects. Building on the work undertaken to date in Northumberland Park and the work undertaken by Bidders during dialogue, Bidders should provide a communications and engagement plan, as part of the Northumberland Park Development Business Plan, that sets out the key aspects of delivering a meaningful, comprehensive and legally compliant plan. This should include delivering a S105 (Housing Act 1985) consultation – a prerequisite in enabling any Authority decision regarding changes to the ownership or management of housing land. This also needs to include the key aspects of a tenant and leaseholder offer.

3. Delivery

Through the Business Plans, Bidders should set out clearly how the HDV will be resourced and managed in order to ensure delivery of the HDV objectives. The Business Plans should clearly identify the criteria set out below.

Strategic Partnership Business Plan

- Overarching development programmes, timescales and rationale to be included within the Strategic Partnership Business Plan;
- Mobilisation plan to demonstrate how the HDV will be resourced and funded in the early stages following establishment;
- Incentivisation proposals;
- Methodology for the drawdown of Category 1 (and future Category 2 and 3 sites), and a framework for agreeing and developing the HDV's longer term pipeline of sites including site acquisitions where considered appropriate together with an indicative timetable for the draw down of identified Category 2 sites; and

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- HDV marketing and communications strategy.

Development Business Plans

- Development specific delivery programmes and timescales within each specific Development Business Plan;
- A forecast of the quantum, typology and timing of the housing delivery on each site;
- Incentivisation proposals;
- Schedules of key assumptions for each of the Category 1 development sites, together with supporting rationale / narrative. Business Plans must indicate the robustness and justification of the scheme proposals i.e. infrastructure works proposed, housing mix and tenure etc;
- Details of how the HDV will work with the Authority to meet the conditions precedent, including where relevant to engage with, and re-house, existing tenants;
- Where relevant, an appropriate level of detail on how the development process will be aligned with significant developments on neighbouring or nearby sites;
- Confirmed approach to CPO, where required, including division of resourcing and approach to costs;
- Site specific marketing strategies;
- Future housing and wider estate management strategy; and
- Management plan for engagement with Homes for Haringey in dealing with existing tenants and aligning management strategies to ensure continued service provision.

Investment Business Plan

- Investment strategy to include value creation through efficiency savings, rent review programme and consolidation where appropriate;
- Tenant engagement policy; and
- Asset management strategy and responsibilities schedule.

Resourcing

The Strategic Partnership Business Plan should also provide detailed information, including an organogram and resourcing plan, for the HDV to confirm:

- Staff commitments;
- Proposed location of the HDV office(s);
- Experience and quality of personnel (to include identified personnel for the Board);
- Initial professional team; and
- Supply chain.

The Authority also wishes to understand Bidders' approach to delivery of the proposed activities of the HDV and identify how the HDV will procure goods, works and services in an

open and transparent manner. The Authority wishes to ensure probity, quality and value for money in the context of the provision of such goods, works and services and envisages the implementation of robust and competitive processes.

Bidders must therefore provide a detailed methodology which demonstrates openness, fairness, transparency, non-discrimination, quality and value for money and should also demonstrate how this methodology will maximise social and economic benefits to the Borough (e.g. through supply chain opportunities, training and apprenticeships).

Any such methodology must be consistent with the Procurement Policy attached to the Members' Agreement, the evaluation of which forms part of the Legal Structure and Governance section.

Where Bidders are anticipating providing contractor services to the HDV, the envisaged quantum of services expected to be provided will be tested under 'Legal Structure and Governance' criterion.

The HDV will require the following services: fund management services; asset management services; development management services; legal, financial and corporate secretarial support; building and civil works contractors.

Where Bidders or their consortium members (or group companies thereof) wish to provide any of the above works and/or services direct to the HDV a detailed methodology must be prepared at this stage covering in respect of each area:

- The name of the proposed contractor;
- The proposed duration of the contract;
- A full description of the relevant works and/or services to be performed;
- Proposals for parent company guarantees to secure performance;
- A detailed methodology covering the provision of these works and/or services to the HDV, the key personnel to be deployed in the works and/or services and demonstrating how best practice in performance will be secured;
- The proposed fee payable by the HDV for the works/services;
- The proposed Key Performance Indicators in order to measure performance and payment for the works/services;
- How the proposed contract would represent value for money for the HDV;
- The contractor's approach to health and safety and to ensuring the highest standards of health and safety in accordance with all applicable legal requirements. The contractor must demonstrate that it has in place a robust Health & Safety Management System to ensure that all activities are conducted so as to eliminate or minimise so far as is reasonably practicable any health and safety risks to employees or others who may be effected by their work activities; and

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- The contractor's approach to equality and diversity in respect of employment and service delivery, in particular:
 - Its policies and procedures for complying with relevant equalities legislation, including the need under the public sector equality duty to show due regard to eliminate discrimination, harassment and victimisation, advance equality of opportunity, and foster good relations between protected groups;
 - The arrangements in place for ensuring that any employees, agents and sub-contractors employed by the contractor comply with relevant equalities legislation;
 - How processes and procedures are kept up to date with changes in equality legislation;
 - The procedures in place to monitor compliance with the above;
 - The procedures in place to monitor equalities related complaints and customer feedback; and
 - The contractor's approach to business and service continuity in order to ensure continuous service delivery against the contract requirements.

It should be noted though that matters such as the contractual nature of these works/services, accompanying parent company guarantees, KPIs and VfM will be evaluated as part of the Legal Structure and Governance evaluation.

Key Performance Indicators

The Authority expects to agree with its Partner two tiers of Key Performance Indicators (KPIs): those for the operation of the HDV Board in delivering the Strategic Partnership Business Plan, and those on a project specific level for the delivery of each scheme through the Development and Investment Business Plans.

At Board level the KPIs may include:

- Annual deadlines for updating and adopting the Business Plans;
- Deadlines for the delivery of reports and update papers;
- Time permitted to review and respond to matters raised;
- Time to resolve disputes before being referred; and
- Rate of delivery of new homes, infrastructure and opportunities for employment.

At a project level, the KPIs and 'test' could include:

- Target returns;
- Priority returns;
- Share of surpluses or overage;

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- DM fees;
 - Timings / longstops;
 - Caps and collars on expenditure;
 - Corporate guarantees; and
 - The definition of 'viable'.

4. Legal Structure and Governance

Final mark-ups of the Contracts must be submitted via the Portal in accordance with the specified date for submission of Final Tenders and should take the form of Word documents.

Where a Bidder accepts the stated position under any Contract and does not intend to provide a mark-up, it must confirm in writing that it has no comments and accepts the relevant document as drafted.

The Authority will assess submissions with reference to the Evaluation Methodology as set out in Appendix 4 to determine the extent and import of the proposed amendments to the Authority's stated position on risk allocation. Those assessments will be used to determine an overall score that takes into account the aggregate effect of all suggested amendments to the Contracts.

Bidders should set out their proposals in relation to the transfer of any staff from the Authority and specifically their approach in relation to pensions, taking into account instructions given by the Authority in the course of dialogue.

5. Financial Proposal

The Strategic Partnership Business Plan should include the overarching HDV funding strategy and proposals. Development Business Plans should include development specific funding strategies and proposals.

The HDV will be required to demonstrate transparency and value for money – particularly in respect of procuring any internal and external resources, both initially and during the life of the HDV. Bidders need to identify clear procedures to ensure best value for the HDV in procuring its supply chain.

The Authority's key funding requirements remain:

- Certainty over the receipts equivalent to £3 million per annum over the first five years;
- Securing long term revenue income and a share of profits; and
- Enhancing the quantum of Council Tax and Business Rates income for the Borough.

The Strategic Partnership Business Plan must include:

- Funding strategy (including return expectations, ranking of each level of financing – including upfront site and partnership costs, approvals required prior to obtaining funds);
- HDV working capital requirements;
- Profit / return on equity requirements (return expectations for the HDV – profit on cost, IRR etc);
- Projected overall revenue / capital expenditure for the HDV in years 1 to 5 showing cash flow predictions and the Authority's stated minimum revenue requirement of £3 million per annum;
- Proposed use of sale proceeds / profits to fund on-going development activity;
- Development management fee (remuneration for resourcing and provision of works and services);
- Loan note coupon rates;
- Minimum land payment methodology and approach to value share between the Authority and the HDV; and
- Confirmation of parent company guarantee / covenant position for HDV cash requirements.

Financial Model

Bidders are required to submit financial proposals in respect of the HDV. Bidders are required to prepare a financial model based on the agreed quantum, quality and phasing of developments to be undertaken by the HDV. The financial model should identify anticipated infrastructure costs, phasing, development costs, growth forecasts etc. which in turn will inform the level and phasing of equity together with the quantum and phasing of senior debt /

development finance required by the HDV to take forward development activity in line with the agreed corporate and project specific Business Plans.

As part of the submission, Bidders must supply an Excel model (in accordance with the given template) detailing the finances of the proposed HDV to include the following:

- Total returns to the Authority, the Partner and HDV and by type of return;
- The split of profits between the Authority and the Partner;
- A summary of the assumptions included within the model;
- A full consolidated annualised cash flow for the duration of the HDV to include sites proposed to be included on establishment of the HDV as Category 1 only;
- The proposed programme for delivering housing units including quantum, typologies and timescales;
- Statement of the total returns (profit and loss);
- Profile of coupon payments and loan repayments;
- The proposed profit distribution arrangements, showing the retention of profit / recycling of profit into the HDV and any proposed subsidiary vehicles, repayment of equity contributions, dividend contributions;
- An output sheet derived directly from the financial model showing the key milestones; and
- Entry land value consideration for the development sites.

The financial model must:

- Show data inputs, data outputs and working areas completely separate;
- Only have hard coded data in the input area;
- Not incorporate a password protection, and no sheets or cells should be hidden, locked or subject to password protection;
- Not contain protected macros; and
- Be supported by a data book and user guide; setting out a summary of the content of the financial model on a sheet by sheet basis; and a table of all inputs to the financial model with the cell reference and source.

The financial information relating to the HDV returns should therefore, inter alia, include:

A Loan Coupon Rate %
B Loan Coupon Rate %
C Loan Coupon Rate %
Profit Split Authority %
Profit Split Partner %
DM Fee %

IRR Authority
IRR Partner
NPV Authority
NPV Partner
Consolidated forecast annualised cashflow for the duration of the HDV
Guaranteed minimum revenue return to the Authority (years 1 to 5 only)
Summary of Assumptions
Statement of Total Returns (profit and loss)
Returns to the Authority
Returns to the Partner
Returns to the HDV

The financial information relating to the Development Business Plans must include:

Development Appraisal Inputs	Development Appraisal Outputs
Units	Gross Development Value
Cost Inflation	Construction Costs
HPI	Infrastructure Costs
Rental Growth	Professional Fees
£/Sq ft - Build Costs	DM Fee
Profit on cost	Profit on Cost
Private Sales Values	Land Value
Private Rental Values	
Affordable Rents	
Entry land value for development sites	Total Funding Requirement
	Authority Loan Note
	Partner Loan Note
	Senior Debt
	Mezzanine Debt
	Equity

A summary audit of the financial models submitted by Bidders will be undertaken by GVA as part of the evaluation of Final Tenders. A full audit will be required for the relevant financial model at Preferred Bidder stage. This audit will be undertaken by a third party specialist organisation agreed between the Authority and the Preferred Bidder. The Preferred Bidder will pay for the cost of this audit. It is expected that the audited financial model will then become the financial model for use by the HDV.

Appendix 4 – ISFT EVALUATION METHODOLOGY AND CRITERIA

INTRODUCTION

The Authority has set out below its approach to the evaluation of Final Tenders.

The underlying principle of the Evaluation Methodology is to identify the Most Economically Advantageous Final Tender that meets the Authority's Requirements for the Project and from these to select the Preferred Bidder. The Evaluation Methodology is designed to provide a structured and auditable approach to evaluating the Final Tenders submitted by the Bidders.

The Authority has conducted dialogue meetings with the Bidders during the ISDS stage. For the avoidance of doubt, whilst assisting the Authority to understand a Bidder's Final Tender, information submitted by the Bidders in response to requests by the Authority during the dialogue meetings has not been scored. For example, the evaluation process will only take into account the information provided by Bidders in their Submissions at this ISFT stage and, if appropriate, responses provided to the Authority in the course of any subsequent clarification process.

Initial Assessment – ISFT Stage of the Competitive Dialogue Procedure

At this ISFT stage, the Final Tenders will be reviewed to ensure that:

- The Final Tender has been submitted on time and meets the Authority's submission requirements/instructions which have been notified to Bidders;
- The submission is sufficiently complete to enable the Final Tender to be evaluated in accordance with the Evaluation Methodology (the Authority, may at its discretion, request additional information in relation to a Final Tender where this requirement has been substantially met); and
- The Bidder has not contravened any of the terms and conditions of this ISFT or any Associated Documents.

Final Tenders that do not meet the submission requirements set out above may be rejected at this stage.

Detailed Assessment – Invitation to Submit Final Tenders

The table below sets out the Evaluation Criteria and weightings for these Criteria at the ISFT stage of the Competitive Dialogue Procedure.

Level 1 Criteria	Fixed Weighting (%)	Level 2 Criteria	Fixed Weighting (%)
Outcomes	40	Place Making	20
		Social and Economic Benefits	20
Deliverability	40	Delivery	20
		Legal Structure and Governance	20
Funding	20	Financial Proposal	20
TOTAL	100		100

The Criteria remain weighted to demonstrate the relative importance of each Criterion to the Authority.

Following Submission of the Final Tenders

Bidders may be asked to present their Final Tender to illustrate and clarify the scope of the proposals. For the avoidance of doubt, whilst assisting the Authority in its evaluation exercise, the presentation will not be scored.

The Authority may also issue clarification questions to clarify the Bidder's Final Tender. Information submitted by the Bidders in response to clarifications may be taken into account when evaluating the Final Tender.

Total Score for the Final Tender

Please note that consideration of the Final Tenders and the short-listing of successful Bidders to be issued with the Final Tender documentation does not amount to any representation by the Authority as to the acceptance of the Bidders' proposals, and the Authority will fully evaluate the suitability of proposals as part of the formal evaluation.

Following receipt of Final Tenders and any necessary clarifications/presentations, Bidders will be ranked according to their scores and the intention is to appoint the Bidder with the highest scoring Final Tender (the Most Economically Advantageous Tender) as the Preferred Bidder. The MEAT may not necessarily be the Bidder that proposes a tender that offers the highest

return. The Authority reserves the right to appoint a Reserve Bidder in the event of any breach by the Preferred Bidder of its obligations under the Preferred Bidder letter.

Principal Approvals

Please note that the decision to award the Contract will require the consent of the Authority's Cabinet.

FURTHER INFORMATION ON THE DETAILED ASSESSMENT AT THE ISFT STAGE

The Final Tender will form the basis of the structural documentation that will be used to establish, manage and govern the HDV. As such, the Final Tender will take the form of:

- Strategic Partnership Business Plan;
- Development Business Plans for all Category 1 sites (to comprise Northumberland Park, Wood Green and Cranwood);
- Investment Business Plan;
- Financial Model; and
- Legal documentation.

The Authority is seeking Business Plans that best address and meet its stated Level 2 Criteria in terms of Place Making, Social and Economic Benefits, Delivery and Financial Proposal. Bidders' responses on the legal documentation will confirm their approach to Legal Structure & Governance.

Each Business Plan has a total of 30 marks available when scored against each of the Level 2 Criterion (of Place Making, Delivery and Financial Proposal).

The weighting of each Business Plan, however, is varied and this is set out below.

Business Plan	Weighting
Strategic Partnership Business Plan	20%
Development Business Plan (Northumberland Park)	12.5%
Development Business Plan (Wood Green)	12.5%
Development Business Plan (Cranwood)	5%
Investment Business Plan	10%
Total	60%

Bidders' response to the Social and Economic Benefits Level 2 Criterion will be considered and evaluated by the Authority across of all the Business Plans. Accordingly only one score (which will comprise 20% of the total marks) will be given for the Social and Economic Benefits Level 2 Criterion. Similarly, only one score (which will comprise 20% of the total marks) will be given

by the Authority in marking and scoring Bidders' responses to Legal Structure and Governance Level 2 Criterion.

The table below sets out where each Level 2 Criterion will be scored and the weighting for each scored area.

Level 1 Criteria	Fixed Weighting (%)	Level 2 Criteria	Fixed Weighting (%)		SCORES OUT OF 10	WEIGHTING	TOTAL WEIGHTED SCORES	TOTAL WEIGHTED SCORE FOR LEVEL 2 CRITERIA
Outcomes	40	Place Making	20	Strategic Partnership Business Plan	10	6.67	6.67	20.0
				Development Business Plan NP	10	4.17	4.17	
				Development Business Plan WG	10	4.17	4.17	
				Development Business Plan Cranwood	10	1.67	1.67	
				Investment Business Plan	10	3.33	3.33	
		Social and Economic Benefits	20	Social and Economic Benefits	10	20.00	20.00	20.0
Deliverability	40	Delivery	20	Strategic Partnership Business Plan	10	6.67	6.67	20.0
				Development Business Plan NP	10	4.17	4.17	
				Development Business Plan WG	10	4.17	4.17	
				Development Business Plan Cranwood	10	1.67	1.67	
				Investment Business Plan	10	3.33	3.33	
		Legal Structure and Governance	20	Legal Structure and Governance	10	20.00	20.00	20.0
Funding	20	Financial Proposal	20	Strategic Partnership Business Plan	10	6.67	6.67	20.0
				Development Business Plan NP	10	4.17	4.17	
				Development Business Plan WG	10	4.17	4.17	
				Development Business Plan Cranwood	10	1.67	1.67	
				Investment Business Plan	10	3.33	3.33	
				TOTAL	100	-	100	

The total marks available and the weighting is summarised below.

	Total Marks Available	Weighting	Weighted Score
Strategic Partnership Business Plan	30	20.00	20.00
Development Business Plan NP	30	12.50	12.50
Development Business Plan WG	30	12.50	12.50
Development Business Plan Cranwood	30	5.00	5.00
Investment Business Plan	30	10.00	10.00
Social and Economic Benefits	10	20.00	20.00
Structure and Governance	10	20.00	20.00
	170	100.00	100.00

The Authority requires that each Level 2 Criterion will have a minimum weighted score requirement of 40% of the marks available (a "Floor Score"). Any Bidder scoring less than 40% for any Level 2 Criterion will be disqualified from consideration as Preferred Bidder.

DETAILED EVALUATION METHODOLOGY FOR THE SUBMISSION

With the exception of Legal Structure and Governance, in evaluating the Final Tenders, the Authority will adopt the following scoring system:

Score	Assessment	Interpretation
0	Unacceptable	Unacceptable response provided which completely fails to address the criteria and/or fails to demonstrate any understanding of the Authority's Requirements and gives significant cause for concern about the delivery of the objectives of the Project.
3	Poor	Poor response against the objectives of the project and the Authority's Requirements and/or creates a high level of disproportionate risk to the Authority or to the delivery of the Project. Response fails to demonstrate a substantive understanding of the Authority's Requirements and gives significant cause for concern about the delivery of the objectives of the Project.
6	Acceptable	Acceptable response provided against the objectives of the Project and the Authority's Requirements without creating significant risk to the Authority or the delivery of the Project. Response is broadly compatible with the Authority's Requirements and demonstrates a sound understanding of the objectives of the Project. Only moderate reservations about the response. The proposals demonstrate some innovation and aspiration.
8	Very Good	Very good response provided against the objectives of the Project and the Authority's Requirements without creating a disproportionate level of risk to the Authority or the delivery of the Project. Response inspires great confidence and exceeds or meets the Authority's Requirements with all Requirements being addressed thoroughly and convincingly. No significant reservations about the response. The proposals demonstrate significant innovation and aspiration.
10	Excellent	Excellent response provided against the objectives of the Project and the Authority's Requirements and/or minimises the level of risk to the Authority or the delivery of the Project. Response requires total confidence and exceeds the Authority's Requirements with evidence provided in support of all aspects of the response. No reservations about the response. The proposals are highly innovative and aspirational.

In evaluating the Legal Structure and Governance of the ISFT, the Authority will adopt the following scoring system:

Score	Assessment	Interpretation
0	Below requirements	Does not meet the requirement. Does not accept the material terms of the Contracts and risk allocation as proposed by the Authority – and/or the Bidder has proposed amendments which alter the risk allocation to a wholly unacceptable degree.

2	Significant reservations	Reservations of the Bidder's acceptance of some of the terms of the Contracts and risk allocation as proposed by the Authority – substantial deviations from the Authority's position that would materially adversely affect the Authority's position.
4	Some reservations	Demonstration by the Bidder of its acceptance of some the terms of the Contracts and risk allocation as proposed by the Authority with material deviations that would adversely affect the Authority's position.
6	Good	Demonstration by the Bidder of its acceptance of the majority of the material terms of the Contracts and risk allocation as proposed by the Authority. Some deviations whose cumulative effect adversely affects the Authority's position but not to a significant extent.
8	Excellent	Demonstration by the Bidder of its acceptance of the vast majority of the material terms of the Contracts and risk allocation as proposed by the Authority. No material deviations from the Authority's position except where the Bidder has demonstrated that there is no material detriment to the Authority in its proposals.
10	Exceptional	Demonstration by the Bidder of its acceptance of all the material terms of the Contracts and risk allocation as proposed by the Authority together with suggestions (and justification) which will offer significant added value.

EXTRA