

SCR JESSICA Fund - Tender for Provision of Independent Expert Services

Scope

The SCR Jessica Fund is a regeneration fund which uses funding from government sources to make investment into regeneration projects in the Sheffield City Region area. The funds were made available to Sheffield City Council (SCC) in 2012 which set up South Yorkshire Property Investment Company Limited to act as the General Partner of the Fund (the GP).

COMMISSION REGULATION (EU) No 651/2014 (the Regulation) (GBER) was published on 17 June 2014, and provides certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty on the Functioning of the European Union.

The Fund is inviting firms to tender for the provision of Independent Expert services, as defined in the Regulation, which are outlined in this document. CBRE Indirect Investment Services Limited (CBRE IISL) is appointed as Fund Manager and operator to the Fund and they have been delegated responsibility for the running of the Fund by its General Partner. The contract for the Independent Expert will be directly between the selected firm and the CBRE IISL with the GP made party to the contract.

The Fund aims to use funding from the European Regional Development Fund (ERDF) as part of the Joint European Sustainable Investment in City Areas (JESSICA) initiative. The Fund also combines other funding from public sources such as the Local Enterprise Partnership and aims to secure funding for regeneration projects from private sources. The Fund has approximately £23 million to invest in regeneration projects, with the capital being issued as a loan to the borrower possibly alongside commercial banks.

The publication of the Regulation brings a possibility of making parts of investments as grant or guarantee, either invested by SCR JESSICA or other sources such as the Growing Places Fund.

Some of the Fund's capital is expected to be invested on a sub-market basis, using the provisions of GBER to permit this. The Regulation requires an Independent Expert provides verification of the proposed investment.

Evaluation Criteria

The tender submission will include an experience based response to allow firms to demonstrate their ability to provide the services detailed below. The tender submission will also require a fee proposal for providing the services detailed below on an instruction basis. Please note that fee proposals are to be inclusive of all expenses and disbursements to allow tenders to be compared on a like-for-like basis.

Final selection of the primary firm and reserve firm (in case of any conflict with the preferred firm) to sit on the Fund's pre-approved panel will be assessed on a 70/30 quality/price basis. This is to reflect the complex and niche nature of some of the services required to ensure that the selected panel members have the skill sets and resources to adequately service these requirements.

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CBRE IISL reserves the right to automatically remove a firm's tender from consideration if they score zero for experience.

Each response to quality questions will be assessed on the following scale:

0 - No answer or inadequate answer

1 - Very poor answer

2 - Poor answer

3 - Good answer

4 - Very good answer

5 - Excellent answer

The points score out of 5 will be multiplied by the question weighting to give the final percentage score for that question to two decimal places e.g. a score of 4 points out of 5, multiplied by 20% weighting = 16.00% score

Quality

The 70 marks attributable to the quality scoring are based on assessing firms in the following areas;

- Team skills and resources (20 marks) –

Is the proposed team and identified resources suitable for the required Independent Expert services? One A4 page per senior team member to a maximum of four A4 pages

Do they cover all the areas required? Are suitable management and reporting arrangements in place? One page of A4 maximum

- Technical knowledge (25 marks) - two pages of A4 maximum

Does the applicant adequately demonstrate technical knowledge in the areas required, i.e. an understanding of property development, of application of existing EU regulations and ERDF investment, and advice on compliance with appropriate public sector regulations? Significant weighting will be given to applicants who are members of the RICS Valuer Registration Scheme.

- Experience and track record (25 marks) - three pages of A4 maximum

Does the applicant refer to a good track record and experience for the required services including providing advice on property development, of application of existing EU regulations and ERDF investment, and advice on compliance with appropriate public sector regulations? Has the prospective panel member provided contact details of at least one referee who has received equivalent services?

Please provide details of the number of partners/directors in the firm and their average years' experience in the equivalent of the required services. How many years has the firm been offering the equivalent services.

SCR JESSICA Fund - Tender for Provision of Independent Expert Services

CBRE IISL requests that written responses are kept to a maximum of 10 pages of A4.

Price

Tenderers are required to provide a fixed price per project, and assuming all deliverables are provided, will be paid whether the project is funded or not. The scope below details the required services, and the main deliverable is a report confirming eligibility of the structure and quantum of investment in accordance with the Regulation.

The 30 marks for the price assessment will be awarded in relation to the prices quoted by the panel members. The price element will be assessed as follows:-

The tenderer who submits the lowest commercial offer will score 30% points. All other tenderers' offers will be calculated as a fraction of the lowest submission and converted to a % points score. This is expressed as:

$$\text{Commercial Score} = (\text{Lowest Tender} / \text{Actual tender}) \times 30\%$$

Programme

Publication of invitation to tender	Monday 15 th September 2014
Submission deadline for tender responses	1200 Tuesday 30 th September 2014
Appointment of primary and secondary Independent Experts	W/C 6 th October 2014
Commencement of services	W/C 6 th October 2014

Terms of Appointment

The key terms are the following:

Required Professional Indemnity Insurance Cover - £5 Million

Capped liability of £5 million per event

Maximum Contract Length – 5 years (or less prior to the maximum contract value being exceeded)

Maximum Contract Value - £100,000

Scope of Independent Expert Services

A summary of experience will suffice and individual examples for each service are not required. Please also provide detail of the processes your firm has in place to ensure these services are provided in a timely and ethical manner.

Scope of services requires

The appointed Independent Expert shall provide services required to satisfy the Independent Expert requirements of GBER, in particular those defined in Subsection B 8(b). These may include (but are not limited to):

SCR JESSICA Fund - Tender for Provision of Independent Expert Services

- Reviewing information provided by the Fund relating to the Borrower and the scheme, to include valuation advice, development appraisal and proposed funding structure.
- Assessment of the proposed funding structure, and whether it complies with GBER (or otherwise).
- Review of inputs provided to ensure that sufficient information is available, assessment of suitability of that information and its sources.
- Assistance in restructuring the proposed loan if required, to be GBER compliant.
- Provision of a final report confirming that the final funding structure is compliant with GBER, and in particular that the level of assistance provided is the minimum required.

Submission Instructions

Please provide your responses (maximum of 10 pages of A4) demonstrating your firm's team skills and resources; technical knowledge; experience and track record which will allow you to provide the services to the fund detailed in the Scope of Independent Expert Services. Please also provide a copy of your firm's proof of Professional Indemnity Insurance cover to £5 million and contact details of a referee whom you have provided the funds required legal services to in the past.

Tender submissions should be submitted by email by midday on Tuesday 30th September to William Church at the following email address william.church@cbre.com. Queries should be emailed in the first instance and all tender query responses will be passed to all firms tendering for the contract.