



**Hunter
Development
Corporation**

**REQUEST FOR DETAILED PROPOSALS
(HDC314.1)
for
35 HONEYSUCKLE DRIVE**



The Hunter Development Corporation invites your firm to participate in the Stage 2 process for the sale and development of this 5,250m² waterfront site.

Table of Contents

1.0	Introduction	3
2.0	Document Context.....	3
3.0	Site Information	3
3.1	Plan of Subdivision	3
3.2	Development Controls.....	3
3.3	Public Domain	4
3.4	Seawall Works.....	5
3.5	Traffic and Access	5
3.6	Environmental Management and Site Contamination	6
3.7	Mine Subsidence.....	6
3.8	Archaeology and Heritage	6
3.9	Services	6
3.10	Flood Management	6
4.0	The Disposal Process	7
4.1	Overview	7
4.2	Stage 2 – Request for Detailed Proposals	7
4.3	Design Focus and Design Objectives	7
4.5	Indicative Program.....	8
4.6	Meetings	8
4.7	Enquiries	8
4.8	Addenda.....	8
4.9	Unsuccessful Proponent.....	8
4.10	Probity Advisor.....	8
5.0	Stage 2 Evaluation	9
5.1	Overview	9
5.2	Evaluation Committee	9
5.3	Clarifications and Discussions.....	9
5.4	Eligibility Requirements	9
5.5	Evaluation Criteria.....	9
6.0	Lodgement Requirements	10
6.2	Location and Time	10
6.3	Form of Proposals.....	10
6.4	Late Proposals.....	11
6.5	Non-conforming Proposals.....	11
	APPENDICES INDEX	11

1.0 Introduction

The Hunter Development Corporation has shortlisted your firm to participate in the Stage 2 process for the sale and development of the Site known as 35 Honeysuckle Drive.

This Disposal Process aims to deliver design led development and be a catalyst for lifting the standard of architecture across the Honeysuckle precinct and CBD.

This 'Request for Detailed Proposals' (RFP) is a standalone document which outlines the requirements of the Stage 2 process. It is an invitation to develop your detailed design and financial offer for Site.

Proponents are encouraged to closely review the information in this Stage 2 process document and ensure any Proposal submitted in response to this RFP complies with its requirements.

Proposals must be submitted by the Closing Time and Date – **5pm 19 October 2017**

2.0 Document Context

The Stage 1 Expressions of Interest (EOI) has concluded and recipients of this RFP have been shortlisted to progress to this RFP stage.

While this is a standalone document, the Proponent is considered to already have in its possession the supporting information provided in the EOI' which is still relevant to the Disposal Process except for:

Appendix H - which is superseded by Appendix B (HDC's Contract); and

Appendix I - which is superseded by Appendix C (Returnable Schedule 1-4).

The Appendices to this RFP contain new and additional information only.

3.0 Site Information

3.1 Plan of Subdivision

The Site is currently identified as part of Lot 2000 in Deposited Plan 1145678.

The Plan of Subdivision (see Appendices) shows the Site has an area of 5,250m² and a 20m wide easement (public access and flooding) at the eastern end.

As part of the subdivision process the Site boundaries and area may be subject to change and the successful Proponent is expected to accept minor changes and affectations. Where the changes and affectations are more significant and have a material impact on the Purchasers Proposal the Contract includes relevant provisions.

The historical positive covenant is shown on the Site but will be removed in during the subdivision process.

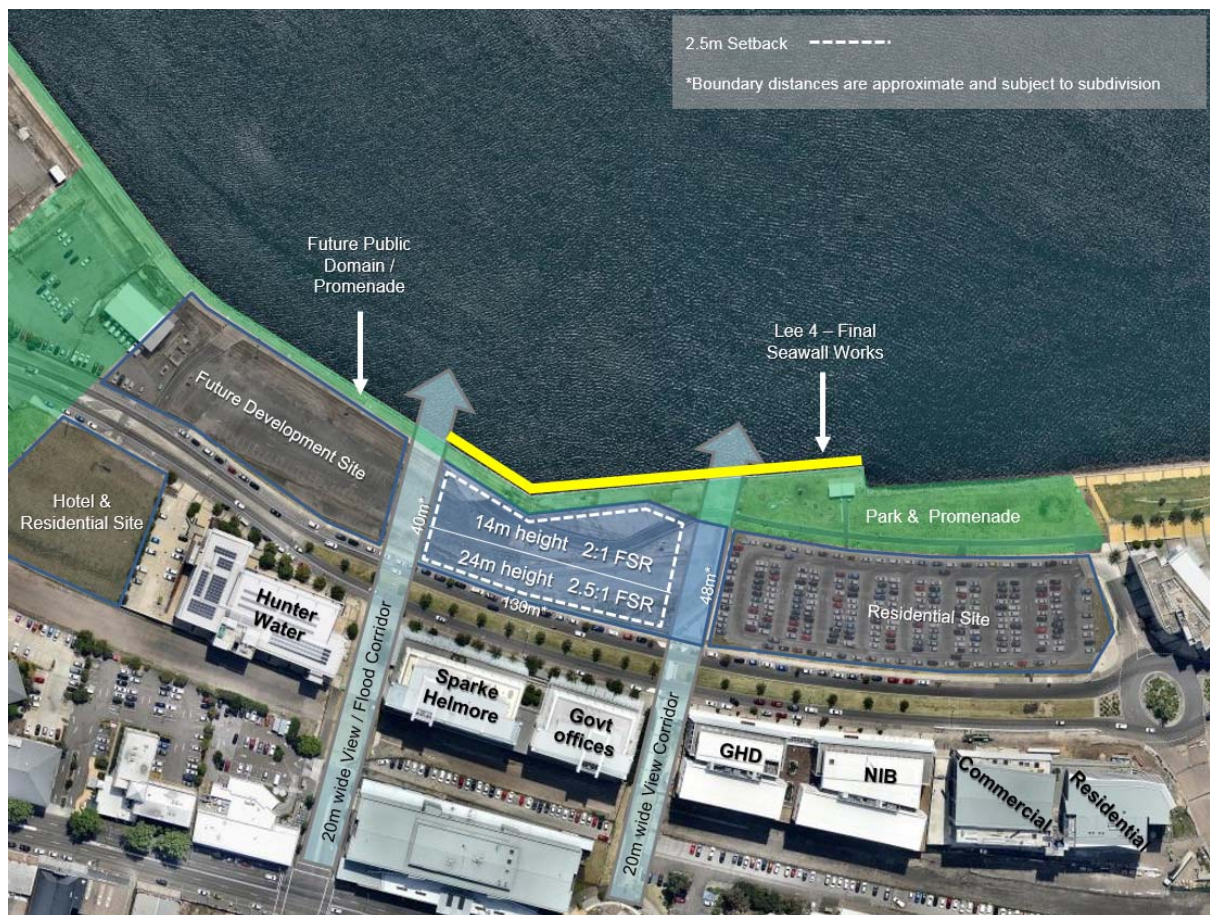
3.2 Development Controls

Development controls for the Site have not changed and subject to the relevant approvals, the Site may be developed in accordance with the controls set out in the *Newcastle City Centre Local Environmental Plan (LEP) 2012* (as amended) and the *Newcastle Development Control Plan (DCP) 2012* (as amended)

A summary of the key controls are set out in the following table:

Principle Planning Instrument	- Newcastle Local Environment Plan 2012
Consent Authority	- Minister of Planning
Zoning	- B4: Mixed Use
Height	- 60% of the site is 14 metres - 40% of the site is 24 metres
Floor Space Ratio (FSR)	- 60% of the site is 2:1 resulting in 6,300m ² of gross developable area - 40% of the site is 2.5:1 resulting in 5,250m ² of gross developable area
Maximum Gross Floor Area	- 11,550m ²

It is noted that the percentage areas for building height and FSR noted above and details shown on the below plan are approximate only and have been derived from the Newcastle LEP 2012 Zoning and Floor Space Ratio Maps.



3.3 Public Domain

An 8m wide foreshore promenade, will provide a popular east / west connection for pedestrians and cyclists and will form the public domain that sits between the Site and the Harbour.

The public domain works to be designed and delivered by HDC will interface with the publicly accessible landscaped areas to be delivered by the Proponent as part of its development. It's expected that the

foreshore promenade and the Proponent's landscaped area will result in a minimum of promenade of around 12m in places.

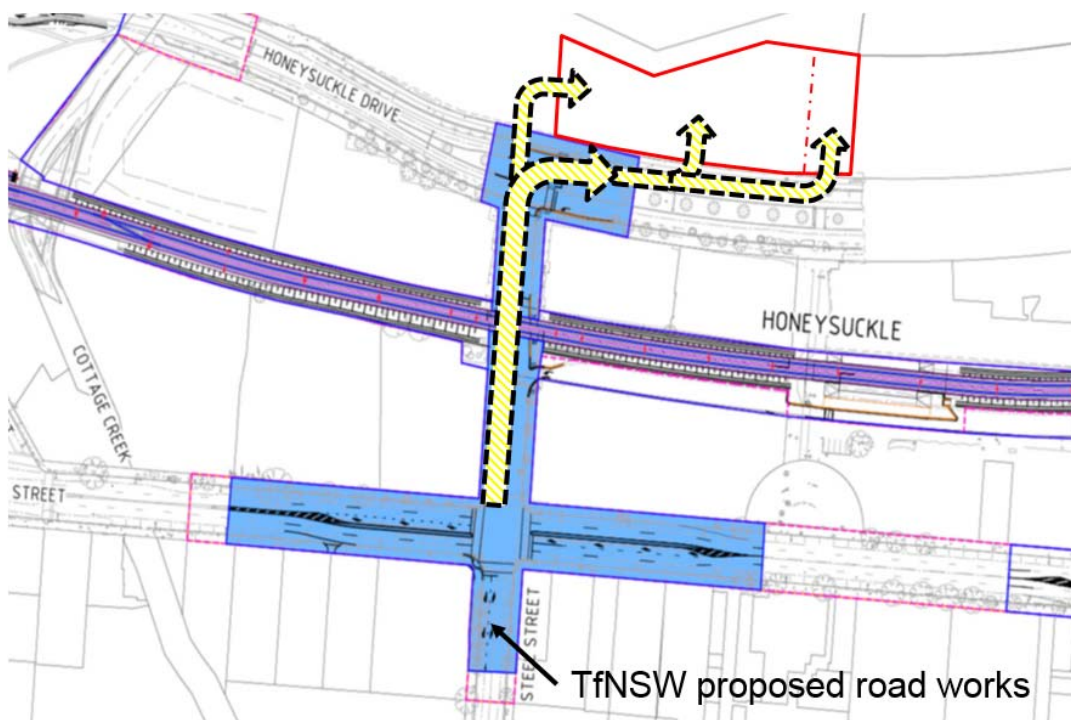
In addition to providing publicly accessible landscaped areas within the Site, Proponents are to nominate a monetary contribution that will go towards HDC's delivery of public domain by completing the 'Returnable Schedule 1 – Financial Offer'. The Public Domain Contribution will be considered as part of the Proponent's total financial offer. Conditions around the Public Domain Contribution are detailed further in the Public Domain Deed in the Appendices.

3.4 Seawall Works

The existing seawall immediately adjacent to the Site will be subject to final upgrade by way of a low maintenance, mass rock revetment with an edge capping beam. These works are expected to be completed within the 2017-18 financial year.

3.5 Traffic and Access

As part of the broader works to deliver the Newcastle Light Rail Transport for NSW intend to carry out road works in the vicinity of the site. The current proposed scope of works is shown below and includes an intersection which will allow traffic to turn right onto Honeysuckle Drive from Steel Street, improving access to the Site from south and east directions.



Vehicular access to the Site may be along the site frontage or alternatively via one of the view corridors located to the east or west of the Site. Utilising a view corridor for a driveway entry increases the opportunity for active spaces along Honeysuckle Drive. Access to the west of the Site could be shared by the future adjoining development and in that instance appropriate easements for access will be created.

3.6 Environmental Management and Site Contamination

Soil and groundwater at the Site is contaminated. The Proponent must deal with the contaminated soil and groundwater as part of its proposed development and satisfy itself regarding environmental management and contamination issues as they apply to the Site.

HDC is investigating the potential to reuse some of the contaminated material within the wider precinct and expects to confirm the availability of this opportunity before entering a contract with the preferred Proponent. Any arrangements for the reuse of contaminated material is separate to this Disposal Process.

All reports relevant to the soil and groundwater contamination can be seen in the Appendices to the EOI.

3.7 Mine Subsidence

No mine remediation is required to support a development at the Site if it is within the building envelope set out in the LEP and designed in accordance with tolerances listed in the Proposed Mine Subsidence Mitigation Plan (Coffey 2010), provided in the Appendices to the EOI. The Proponent must obtain approval from Subsidence NSW before building on the site.

3.8 Archaeology and Heritage

Proponents will need to consider all archaeological and heritage issues associated with their proposed development including what permits and approvals are required for excavation and other work as well as appropriate programming. Cultural heritage and aboriginal archaeological assessment reports are provided in the Appendices to the EOI.

3.9 Services

The Site is fully serviced in respect of power, water, sewer and telecommunications. Proponents will need to make their own enquiries as to all services and satisfy themselves as to the location, capacity and adequacy of services located within or adjacent to the Site. HDC will not be responsible for the augmentation, relocation or any other aspect concerned with services. A detailed plan showing services is included in the Appendices to the EOI.

3.10 Flood Management

The Cottage Creek Flood Management Plan 1999 (see Appendices to the EOI) and the Newcastle Floodplain Risk Study 2012 (refer to CoN's website) are currently the principle documents which outline flood management constraints for the Site.

A more up-to-date flood model has been developed by HDC which indicates the FPL for the Site will be 2.8m AHD. However, this is different to the FPL noted on CoN's Flood Certificate. Until HDC's more recent flood study is adopted by Council, HDC will continue discussions with CoN regarding the appropriate FPL and flood risk mitigation measures which are to apply to the Site.

It is one of HDC's design objectives that the proposed development must be set at FPL agreed to by Council. Hence in anticipation that Council will adopt HDC's flood study, the ground floor of the Proponent's development is to be set at HDC's FPL of 2.8m AHD. The Proponent must allow that this level may decrease by 300mm or increase by 500mm and will not make requisition or claim against HDC in respect to any such change.

Any Proposal that exceeds the FLP stated above must be accompanied by fully detailed justification.

4.0 The Disposal Process

4.1 Overview

The Disposal Process for the Site is being managed by HDC and all decisions associated with or arising out of the Disposal Process will be at HDC's absolute discretion. This includes without limitation, decisions regarding whether to accept a Proposal or any, whether a Proposal is evaluated, how and whether to continue, terminate, suspend or vary the Disposal Process including any relevant time frames.

4.2 Stage 2 – Request for Detailed Proposals

This RFP is an invitation to prepare and submit a detailed design and financial offer with the intention that a preferred Proponent will be selected, leading to the exchange of contracts for the agreed development.

The Evaluation Criteria in this stage is weighted to ensure a high standard of design is realised. The evaluation will also consider the net financial offer and the level of certainty that a proposal will proceed to development consent and hence completion of the contract and ultimate development.

A Proposal which does not maintain consistency with the Proponent's EOI or a Proposal which represents a lesser outcome to HDC (including without limitation the proposed team members, proposed use, level of design commitment and / or acceptance of HDC's key commercial terms) may be passed over and not be evaluated.

Proponents acknowledge that entering contract negotiations does not infer a binding agreement with HDC. Proponents must note that there will be a fixed time frame for contract negotiations and exchange of contracts with the Preferred Proponent.

Further details of the Stage 2 Evaluation Criteria are provided in the following parts of this document.

4.3 Design Focus and Design Objectives

It is still a primary objective of the Disposal Process that the development of the Site is to result in a higher standard of design in terms of the building and its interaction with the adjacent public domain.

The Design Objectives outlined in the 'Lee 4 Design Criteria and Objectives CROPHI 2017' document are HDC's Design Objectives for the Site and a key component of the Stage 2 Evaluation Criteria (detailed later in this RFP).

While HDC has adopted the Design Objectives, the CROPHI document and the reference designs included within it are provided as a reference only and Proponents may choose to adopt or pass over elements of the reference design as they determine is appropriate. Proposals submitted will be assessed on their merit and response to the Evaluation Criteria, not to the extent they are similar to the reference designs.

4.4 Design Offset Funds

HDC will make a design offset payment of \$25,000 (Excl GST) to Proponents who submit complete and conforming Proposals in response to this RFP.

The design offset payment will be paid directly to the nominated Architect and not the Proponent entity and only after the Detailed Proposals have been assessed as conforming by HDC in its absolute discretion.

4.5 Indicative Program

The indicative program for the Stage 2 process is outlined in the table below. While the process is intended to be managed in this way, the actual time frames and way in which they will be managed is at HDC's absolute discretion.

Item	Date
Stage 2 – Request for Detailed Proposals (5 weeks)	
RFP opens	14 September 2017
RFP commencement meetings	18 September 2017 (week commencing)
RFP midway meetings	5 October 2017
RFP process closes	19 October 2017
Exchange of contracts	16 November 2017

4.6 Meetings

The commencement meeting with HDC's Evaluation Committee aims to provide the Proponent feedback on the concept designs submitted as part of the EOI stage.

The mid-way design meeting with HDC's Evaluation Committee and Design Review Panel will be held to provide progressive feedback on the design development. The meetings are mandatory for all Proponents participating in the Stage 2 process.

4.7 Enquiries

Enquiries can be made in writing to the HDC Development Manager:

Name: Jeremy Amann
Telephone: 02 4904 2762
Email: Jeremy.amann@hdc.nsw.gov.au

HDC reserves the right to respond to a Proponent's query as an Addenda via the the eTender website.

4.8 Addenda

HDC may, in its absolute discretion, make changes to the Disposal Process, update documents issued in connection with the Disposal Process and / or respond to enquiries by notice to each Proponent.

4.9 Unsuccessful Proponent

If HDC determines a Proponent is not to proceed beyond the EOI stage, or any other stage, HDC is not obliged to give reasons why.

4.10 Probity Advisor

Procure Group has been appointed to provide probity advice in relation the Disposal Process including the evaluation of Proposals. If a Proponent is concerned with any aspect of the process they are invited to contact Daniel McPhee on 0423 113 461 or dmcphee@procuregroup.com.au.

5.0 Stage 2 Evaluation

5.1 Overview

Proposals will be evaluated against the Eligibility Requirements and Evaluation Criteria set out below to determine which Proponent, if any, HDC will make the Preferred Proponent and exchange Contracts with.

5.2 Evaluation Committee

The evaluation of Proposals will be the responsibility of an Evaluation Committee convened by HDC who will make a recommendation to the HDC's CEO who has absolute discretion and will make the final decision. The Evaluation Committee will be assisted by design experts and other professional advisers as and when required. The evaluation process will be at the absolute discretion of HDC. The Evaluation Report is confidential and will not be disclosed at any time during or after the evaluation process.

5.3 Clarifications and Discussions

Proponents may be required to provide clarification, additional information and/or attend meetings as part of the evaluation process. HDC reserves the right to have direct discussions with a Proponent post lodgement and may require a Proponent to amend or improve aspects of a Proposal in order to be further considered. Such clarifications with a Proponent do not imply or infer HDC's acceptance or preference for a Proposal. Additionally, HDC may require a Proponent to withdraw its Proposal.

5.4 Eligibility Requirements

Before a Proposal can proceed to evaluation it must:

- 1) contain duly completed and signed Returnable Schedules including:
 - Returnable Schedule 1 - Tender Form and Acknowledgement
 - Returnable Schedule 2 – Financial Offer
 - Returnable Schedule 3 – Certainty of Delivery
 - Returnable Schedule 4 - Detailed Proposal(which are included in the Appendices)
- 2) provide a response to each of the Evaluation Criteria with adequate detail for assessment purposes;
- 3) represent an offer that is no less advantageous to HDC than the EOI proposal;
- 4) offer a development which substantially complies with the relevant requirements of the Newcastle Local Environmental Plan and Development Control Plan 2012. Any Proposal that does not comply with these requirements will be considered on the merit of the justification for the departures and may be passed over; and
- 5) provide its acceptance (or otherwise) of HDC's Contract by returning a copy of the Contract with complete legal drafting mark ups of any changes (if necessary).

5.5 Evaluation Criteria

Proposals will be given a score on a 1-10 scale in accordance with HDC's Evaluation Plan and a numerical weighting will be applied to give the final weighted score. Any Proposal which receives a score of less than 5 out of 10 in any criteria may not be considered further.

The Evaluation Criteria is set out below:

CRITERIA 1 – NET FINANCIAL IMPACT OF PROPOSAL - 40%

The timing and amounts of all payments (including payments towards public domain) made to HDC and of all contributions required from HDC. Any proposal that does not meet an approved minimum acceptable sales price may be passed over.

Proponents must demonstrate how they meet this criterion by completing and responding to **Returnable Schedule 2 – Financial Offer**. Proponents are to fully describe their financial offer for the Site including the amount and timing of payments.

CRITERIA 2 – CERTAINTY OF DELIVERY - 10%

Consideration of the certainty that the development will proceed and the degree to which the developer accepts HDC's contractual terms.

Proponents must demonstrate how they meet this criterion by completing and responding to **Returnable Schedule 3 – Certainty of Delivery**. Proponents must confirm the details of the purchasing entity and proposed guarantor and submit a marked up copy of the Contract (with proper legal drafting as opposed to comments which will not be accepted). The Proponent must also provide additional financial information if and when requested.

CRITERIA 3 – DESIGN - 50%

Consideration of the design excellence of the proposal and the extent to which it incorporates the design objectives and environmental commitments (during both design and construction) and is buildable.

Proponents must demonstrate how they meet this criterion by responding to and completing the **Returnable Schedule 4 – Detailed Proposal**. Proponents must detail their proposed development using fully resolved architectural plans and renders supported by written description.

6.0 Lodgement Requirements

6.2 Location and Time

All Proposals **must** be lodged online to the e-Tender website (<https://tenders.nsw.gov.au>) on or before the Closing Time and Date:

The Closing Date and Time is **5pm 19 October 2017**, subject to any addenda or extension granted by HDC.

Proponents assume the risk that their Proposals may not be received on or before the Closing Date.

6.3 Form of Proposals

Proposals must include all requested information, be in English and comprise of:

- 1) a single PDF file of the entire Proposal including; and
- 2) responses to and completed Returnable Schedules 1 - 4

All pages should be numbered consecutively to establish the completeness of the Proposal.

Verbal, facsimile and email Proposals will not be accepted.

6.4 Late Proposals

HDC in its absolute discretion may accept a late Proposal if it considers that the late acceptance would not give an unfair material advantage to that Proponent. HDC's judgment is final and it is not required to give reasons for its decision.

6.5 Non-conforming Proposals

HDC may in its absolute discretion accept or reject a non-conforming proposal.

APPENDICES INDEX

- A. Plan of Subdivision**
- B Contract for Sale**
 - 1. Contract from HDC to Purchaser
 - 2. Buy Back Option Deed from Purchaser to HDC
 - 3. Public Domain Deed
 - 4. Contract Pages
- C Returnable Schedules**
 - 5. Tender Form and Acknowledgement
 - 6. Proposal Summary
 - 7. Certainty of Delivery
 - 8. Detailed Proposal