





# **INVITATION TO TENDER & STATEMENT OF REQUIREMENT**

**Review the deliverability and affordability of RIS2 Enhancement projects**

**CPV Code: 73000000; 79000000**

**Tender Reference: ORR/CT/21-82**

## **Purpose of document**

The purpose of this document is to invite proposals for consultancy support for the Office of Rail and Road (ORR) in the assessment and refinement of a performance monitoring framework that reviews the deliverability and affordability of National Highways enhancement projects.

This document contains the following sections:

1. Introduction to the Office of Rail and Road
2. Statement of Requirement
3. Tender Proposal & Evaluation Criteria
4. Procurement Procedures

# 1. Introduction to the Office of Rail and Road (ORR)

The Office of Rail and Road is the independent safety and economic regulator of Britain's railways who also hold National Highways to account for its day-to-day efficiency and performance, running the strategic road network, and for delivering the five year road investment strategy set by the Department for Transport (DfT).

ORR currently employs approximately 360 personnel and operates from 6 locations nationwide. The majority of personnel are located at ORR's headquarters, 25 Cabot Square, London.

## Our strategic objectives

### **1. A safer railway:**

Enforce the law and ensure that the industry delivers continuous improvement in the health and safety of passengers, the workforce and public, by achieving excellence in health and safety culture, management and risk control.

### **2. Better rail customer service:**

Improve the rail passenger experience in the consumer areas for which we have regulatory responsibility and take prompt and effective action to improve the service that passengers receive where it is required.

### **3. Value for money from the railway:**

Support the delivery of an efficient, high-performing rail service that provides value for money for passengers, freight customers, governments, and taxpayers.

### **4. Better Highways:**

National Highways operates the strategic road network, managing motorways and major roads in England. Our role is to monitor and hold it to account for its performance and delivery, so that its customers enjoy predictable journeys on England's roads.

## Supplying ORR

The ORR procurement unit is responsible for purchasing the goods and services necessary for ORR to achieve its role as the economic and health & safety regulator of the rail industry.

The ORR Procurement unit subscribes to the following values:

- to provide a modern, efficient, transparent and responsible procurement service;
- to achieve value for money by balancing quality and cost;
- to ensure contracts are managed effectively and outputs are delivered;
- to ensure that processes have regard for equality and diversity; and

- to ensure that procurement is undertaken with regard to Law and best practice.

For further information on ORR please visit our website: [www.orr.gov.uk](http://www.orr.gov.uk)

## Small and Medium Enterprises

ORR considers that this contract may be suitable for economic operators that are small or medium enterprises (SMEs) and voluntary organisations. However, any selection of tenderers will be based on the criteria set out for the procurement, and the contract will be awarded on the basis of the most economically advantageous tender.

Small and Medium Enterprises and Voluntary Organisations:

<b>Enterprise Category</b>	<b>Headcount</b>	<b>Turnover</b>	<b>Or</b>	<b>Balance Sheet Total</b>
<b>Micro</b>	<b>&lt;10</b>	<b>≤ € 2 million</b>		<b>≤ € 2 million</b>
<b>Small</b>	<b>&lt;50</b>	<b>≤ € 10 million</b>		<b>≤ € 10 million</b>
<b>Medium</b>	<b>&lt;250</b>	<b>≤ € 50 million</b>		<b>≤ € 43 million</b>
<b>Large</b>	<b>&gt;251</b>	<b>&gt; € 50 million</b>		<b>&gt; € 43 million</b>

Please ensure that you indicate how your organisation is categorised on the Form of Tender document which should be submitted along with your proposal.

## 2. Statement of Requirement

### 2.1 Background to the project

ORR independently monitors National Highways' management of the Strategic Road Network (SRN) - motorways and main A roads in England. We monitor National Highways on:

- how it plans and delivers its Road Investment Strategy (RIS) enhancement portfolio;
- its performance, including efficiency, safety and sustainability, for the benefit of road users and the public
- its compliance with its licence.

We also provide advice to the SoS on the development of future RISs.

DfT published RIS2 in March 2020. A significant proportion of the RIS2 investment plan is enhancement projects.

During the first year of the second road period, ORR identified and raised concerns with cost escalation, underspend and schedule delay to some projects in the RIS2 enhancement portfolio.

To help us assess whether National Highways is doing everything reasonably practicable to plan and deliver enhancement projects, to meet its licence obligations and to achieve the committed outputs for RIS2 and beyond, we have commissioned this review.

The review will focus on the review and development of our performance monitoring framework to examine planning, development, delivery, affordability, underspend and management of the RIS2 enhancement projects. The framework will also be used to identify if there is evidence of systemic weaknesses in the organisation's processes.

Finally, the consultant will apply the framework to test cases (as agreed with stakeholders) to optimise it.

### 2.2 Project Objectives & Scope

#### Objectives

We are seeking consultancy services to support our review of National Highways' enhancement portfolio.

The first objective is to ascertain whether our current/historic approach to enhancement monitoring is commensurate with RIS2 enhancement projects and external established best practice.

For the second phase, should it be determined that we require a monitoring framework which is different to our established monitoring approach, then as a

minimum, ORR needs any new/updated monitoring framework to assess and report on:

- the success of enhancement delivery, but ascertaining any cost/time movements
- the underlying reasons behind any delay and cost escalation/underspend
- the deliverability of the enhancement portfolio in Road Period 2;
- the impact of cost escalation/ underspend and schedule delay of enhancement projects on the portfolio of RIS2 investment plan and beyond; and
- the robustness of the mitigation measures taken or in place by National Highways to address deliverability, affordability and underspend.
- To be cognisant of any required monitoring differences across the different delivery programmes and also Tier 1 verses non-Tier 1.
- Other aspects that the consultant can advise that are necessary.

For the third phase, any framework developed will then need to be trialled against a sample of projects, to be determined by ORR and National Highways. The review will help inform our next annual assessment of National Highway's performance, due for publication in July 2022.

## **Scope**

The development/update of a performance monitoring framework and subsequent sample review will focus on National Highways' enhancements projects listed in National Highways' Delivery Plan. The framework will cover National Highways' processes, actions and management in four main areas:

a) project planning/management including:

- scope definition
- key stakeholder liaison and constraint assessment (e.g. scheme integration with local transport network, local and national environmental groups)
- programme compatibility assessment (e.g. impact of other National Highways major projects or renewals schemes)
- identify risks and issues in relation to the planning of enhancement projects and their wider programmes

b) project development, including:

- obtaining formal planning permission or consents
- cost estimation



- governance
- risk allocation and link to the Central Risk Reserve
- stakeholder consultation
- unanticipated interdependencies
- assessment of external constraints to deliverability (e.g. labour market, supply chain)
- development of its risk approach and issues in relation to the planning of enhancement projects and their wider programmes

c) project delivery, including:

- procurement
- skills and capabilities – follow up from our recent 'review of Highways England's capability to plan and deliver its RIS2 enhancement capital programme'.
- development of its risk approach and issues in relation to the planning of enhancement projects and their wider programmes

d) management of the RIS2 enhancement portfolio, including:

- organisational responsibilities (DfT/NH/ORR)
- attracting and retaining highly experienced people

To achieve the above objectives, the work is expected to include:

- Identifying and interviewing local and national key stakeholders as well as other organisations impacted by the projects;
- portfolio and programme management capability – drawing on work carried out previously;
- deliverability of the capital plan in Road Period 2, with a focus on the enhancement projects portfolio, including identification and quantification of scope and schedule risk;
- the affordability of the enhancement projects, considering current forecast costs and levels of funding available – including for resources and all capital works;
- evaluation of the likely impact, of delay and underspend of enhancement projects, on performance delivery against the targets specified in the RIS;
  - Reviewing relevant evidence which is considered to impact the RIS3 costs and schedule; and
  - Making recommendations to ORR on improvements that ORR and National Highways could take to securing improved planning and delivery of enhancement projects.

In drawing conclusions/recommendations the study should consider whether best practice from other road organisations and/or other sectors is being (or could be) applied.

## **2.3 Project Outputs, Deliverables and Contract Management**

### **Outcomes / Deliverables**

The outcome from the work will be:

- A report to ORR setting out recommendations for updated/new framework methodology for the monitoring of enhancement projects
- An objective assessment report of a sample of National Highways' RIS2 enhancement projects, including their planning, development, deliverability, affordability and management. The report will be used to inform ORR's next annual assessment of National Highways performance.
- An evidence base in support of the report.
- Presentations (e.g. slides) of the emerging findings and final findings.

### **Contract Management Requirements**

The contract will be managed through regular meetings to discuss progress, review the previous month's deliverables and to discuss upcoming reviews.

Ad-hoc meetings will be held as required to discuss any changes to scope, resources or scheduling.

## **2.4 Project Timescales**

### **Project Timescale**

Following the close of this tender, we may interview potential consultancies in March 2021 before confirming the appointment;

- The work is expected to commence in March 2022;
- The draft report and slide pack should be produced by the end of June 2022;
- The final report, evidence base and slide pack should be produced by end of August 2022.

## **2.5 Budget and Payment Schedule**

The maximum budget for this piece of work is £100,000 (inc. of expenses, exc. of VAT), however ORR expects bids to be significantly below this threshold.

Payment Schedule:

The payment schedule is as follows:

1. 20% on completion of desk study intelligence gathering
2. 60% on presentation of emerging findings;
2. 80% on delivery of draft report and slide pack for comments; and

3. 100% on delivery and acceptance by ORR of all deliverables.

## 2.6 Further project related information for bidders

### Intellectual Property Rights

ORR will own the Intellectual Property Rights for all project related documentation and artefacts.

### Transparency requirements

Please note ORR is required to ensure that any new procurement opportunity above £10,000 (excluding VAT) is published on Contracts Finder, unless the ORR is satisfied it is lawful not to. Once a contract has been awarded as a result of a procurement process, ORR is required to publish details of who won the contract, the contract value and indicate whether the winning supplier is a SME or voluntary sector organisation.

### Confidentiality

All consultants working on the project may be required to sign a confidentiality agreement and abide by the Cabinet Office's protective marking guidelines, which ORR uses to protectively mark a proportion of its information. In addition, the consultant may be required to sign additional confidentiality agreements as required by external stakeholders.

### Sub-Contractors

Contractors may use sub-contractors subject to the following:

- That the Contractor assumes unconditional responsibility for the overall work and its quality;
- That individual sub-contractors are clearly identified, with fee rates and grades made explicit to the same level of detail as for the members of the lead consulting team.

Internal relationships between the Contractor and its sub-contractors shall be the entire responsibility of the Contractor. Failure to meet deadlines or to deliver work packages by a subcontractor will be attributed by ORR entirely to the Contractor.

### Conflict of Interest

At the date of submitting the tender and prior to entering into any contract, the tenderer warrants that no conflict of interest exists or is likely to arise in the performance of its obligations under this contract; or

Where any potential, actual or perceived conflicts of interest in respect of this contract exist, tenderers need to outline what mitigation/safeguards would be put in place to mitigate the risk of actual or perceived conflicts arising during the delivery of these services.

The ORR will review the mitigation/safeguards in line with the perceived conflict of interest, to determine what level of risk this poses to them. Therefore, if tenderers cannot or are unwilling to suitably demonstrate that they have suitable safeguards to mitigate any risk then their tender will be deemed non-compliant and may be rejected.

### 3. Tender Response & Evaluation criteria

#### 3.1 The Tender Response

The proposals for this project should include an outline of how bidders will meet the requirement outlined in section (ii) "Statement of Requirement". The following information should be included:

##### **a) Understanding of customer's requirements**

- Demonstrate an understanding of the requirement and overall aims of the project.

##### **b) Approach to customer's requirements**

- Provide an explanation of the proposed approach and any methodologies bidders will work to;
- Details of your assumptions and/or constraints/dependencies made in relation to the project
- A project plan to show how outputs and deliverables will be produced within the required timescales, detailing the resources that will be allocated;
- An understanding of the risks, and explain how they would be mitigated to ensure delivery
- Compliance with any security requirements outlined in the SOR, including details of accreditation for systems (e.g. ISO27000, Cyber Essentials) etc.
- What support bidders will require from ORR;

##### **c) Proposed delivery team**

- Key personnel including details of how their key skills, experience and qualifications align to the delivery of the project; and
- Project roles and responsibilities
- Confirmation that you have carried out the necessary employment checks (e.g. right to work in the UK)
- Some relevant examples of previous work that bidders have carried out (eg. case studies) and Details of at least two relevant reference projects along with contact details of clients

#### **d) Pricing**

A fixed fee for the project inclusive of all expense. This should include a breakdown of the personnel who will be involved with the project, along with associated charge rates and anticipated time inputs that can be reconciled to the fixed fee.

#### **e) Conflicts of Interest**

Confirm whether you have any potential, actual or perceived conflicts of interest that may be relevant to this requirement and outline what safeguards would be put in place to mitigate the risk of actual or perceived conflicts arising during the delivery of these services.

### **3.2 Evaluation Criteria**

Tenders will be assessed for compliance with procurement and contractual requirements which will include:

- Completeness of the tender information
- Completed Declaration Form of Tender and Disclaimer
- Tender submitted in accordance with the conditions and instructions for tendering
- Tender submitted by the closing date and time
- Compliance with contractual arrangements.

Tenders that are not compliant may be disqualified from the process. We reserve the right to clarify any issues regarding a Bidder's compliance. It will be at ORR's sole discretion whether to include the relevant Bidder's response in the next stage of the process.

The contract will be awarded to the Bidder(s) submitting the **'most economically advantageous tender'**. Tenders will be evaluated according to weighted criteria as follows:

#### **Methodology (30%)**

The proposal should set out the methodology by which the project requirement will be initiated, delivered and concluded. In particular, it must:

- a) Explain the methodology and delivery mechanisms to ensure that the requirements of this specification are met in terms of quality;
- b) Explain how your organisation will work in partnership with ORR's project manager to ensure that the requirement is met
- c) Explain how your organisation will engage with external stakeholders;
- d) Outline how the proposed approach utilises **innovative** consultation methodologies to develop a diverse and comprehensive evidence-base

### Delivery (30%)

The proposal should set out how and when the project requirement will be delivered. In particular, it must:

- a) Explain how this work will be delivered to timescale and how milestones will be met, detailing the resources that will be allocated to each stage;
- b) Demonstrate an understanding of the risks, and project dependencies and explain how they would be mitigated to ensure project delivery;
- c) Explain the resources that will be allocated to delivering the required outcomes/output, and what other resources can be called upon if required.

### Experience (20%)

The proposal should set out any experience relevant to the project requirement. In particular, it must:

- a) Provide CVs of the consultants who will be delivering the project;
- b) Highlight the organisation's relevant experience for this project, submitting examples of similar projects.

### Cost / Value for money (20%)

A **fixed fee** for delivery of the project requirement (inclusive of all expenses), including a full price breakdown for each stage of the project and details of the day rates that will apply for the lifetime of this project.

Name of consultant	Grade	Role	Day rate	Number of days	Total cost (ex VAT)

Please note that consultancy grades should align with the following definitions:

Grade	Requirement
Junior consultant	Demonstrable experience in a wide range of projects in their specialist field. Evidence of client facing experience and support services to wider consultancy projects.
Consultant	Notable experience and in-depth knowledge of their specialist field. Evidence of a wide range of consultancy projects and client facing experience. Support work in process and organisational design and leading workshops and events.
Senior Consultant	Substantial experience in their specialist field and in a consultancy/training role. Previous experience in project management and working in a wide range of high quality and relevant projects. Familiarity of the issues/problems facing public sector organisations.

Principal Consultant	Substantial experience in their specialist field and in a consultancy/training role. Sound knowledge of the public sector and current policy and political issues affecting it. Previous experience in project management on at least three major projects, preferably in the public sector and using the PRINCE2 or equivalent method.
Managing Consultant	Substantial experience in their specialist field and in a consultancy role. In depth knowledge of the public sector and of current policy and political issues affecting it. Previous experience in project management on at least 5 major projects, preferably in the public sector and using PRINCE2 or equivalent methods.
Director / Partner	Extensive experience in their specialist field, in which they are nationally or internationally renowned as an expert. Extensive experience of leading or directing major, complex and business critical projects; bringing genuine strategic insight. In depth knowledge of the public sector and of current policy and political issues affecting it.

## **Marking Scheme**

Score 0	Unanswered or totally inadequate response to the requirement. Complete failure to grasp/reflect the core issues
1	Minimal or poor response to meeting the requirement. Limited understanding, misses some aspects
3	Good understanding and interpretation of requirements, providing clear evidence of how the criterion has been met
5	Excellent response fully addressing the requirement and providing significant additional evidence of how the criterion has been met and how value would be added



## 4. Procurement procedures

### Tendering Timetable

The timescales for the procurement process are as follows:

Element	Timescale
Invitation to tender issued	24 February 2022
Deadline for the submission of clarification questions	4 March 2022 at 3pm
Deadline for submission of proposals	14 March 2022 at 10am
Award contract	23 March 2022
Project Inception Meeting	28 March 2022

### Tendering Instructions and Guidance

#### **Amendments to ITT document**

Any advice of a modification to the Invitation to Tender will be issued as soon as possible before the Tender submission date and shall be issued as an addendum to, and shall be deemed to constitute part of, the Invitation to Tender. If necessary, ORR shall revise the Tender Date in order to comply with this requirement.

#### **Clarifications & Queries**

Please note that, for audit purposes, any query in connection with the tender should be submitted via the ORR eTendering portal. The response, as well as the nature of the query, will be notified to all suppliers without disclosing the name of the Supplier who initiated the query.

#### **Submission Process**

Tenders must be uploaded to the ORR eTendering portal **no later** than the submission date and time shown above. Tenders uploaded after the closing date and time may not be accepted. Bidders have the facility to upload later versions of tenders until the closing date/time.

Please submit the Form of Tender and Disclaimer certificate along with your proposal. If you are already registered on our eTendering portal but have forgotten your login details, please contact the portal administrator.

An evaluation team will evaluate all tenders correctly submitted against the stated evaluation criteria.

By issuing this Invitation to Tender ORR does not undertake to accept the lowest tender, or part or all of any tender. No part of the tender submitted will be returned to the supplier

## **Cost & Pricing Information**

Tender costs remain the responsibility of those tendering. This includes any costs or expenses incurred by the supplier in connection with the preparation or delivery or in the evaluation of the tender. All details of the tender, including prices and rates, are to remain valid for acceptance for a period of 90 days from the tender closing date.

Tender prices must be in Sterling.

Once the contract has been awarded, any additional costs incurred which are not reflected in the tender submission will not be accepted for payment.

## **References**

References provided as part of the tender may be approached during the tender stage

## **Contractual Information**

Following the evaluation of submitted tenders, in accordance with the evaluation criteria stated in this document, a contractor may be selected to perform the services and subsequently issued with an order.

Any contract awarded, as a result of this procurement will be placed with a prime contractor who will take full contractual responsibility for the performance of all obligations under the contract. Any sub-contractors you intend to use to fulfil any aspect of the services must be identified in the tender along with details of their relationship, responsibilities and proposed management arrangements.

The proposal should be submitted in the form of an unconditional offer that is capable of being accepted by the ORR without the need for further negotiation. Any contract arising from this procurement will be based upon ORR's standard Terms & Conditions (see Form of Agreement attached). You should state in your proposal that you are willing to accept these Terms & Conditions.

The ORR does not expect to negotiate individual terms and expects to contract on the basis of those terms alone. If you do not agree to the Conditions of Contract then your tender may be deselected on that basis alone and not considered further.

The ORR may be prepared to consider non-fundamental changes to the standard terms and conditions in exceptional circumstances. If there are any areas where you feel you are not able to comply with the standard ORR terms and conditions, then details should be submitted as a separate annex to the proposal using the following format:

<b><i>Clause Number</i></b>	<b><i>Existing Wording</i></b>	<b><i>Proposed Wording</i></b>	<b><i>Rational for amendment</i></b>

Any services arising from this ITT will be carried out pursuant to the contract which comprises of:

- ORR Terms & Conditions;
- Service Schedules;
- this Invite to Tender & Statement of Requirement document; and
- the chosen supplier's successful tender.

#### **ORR's Transparency Obligations and the Freedom of Information Act 2000 (the Act)**

The ORR is a central Government department and as such complies with the Government's transparency agenda. As a result, there is a presumption that contract documentation will be made available to the public via electronic means. The ORR will work with the chosen supplier to establish if any information within the contract should be withheld and the reasons for withholding it from publication.

Typically the following information will be published:

- contract price and any incentivisation mechanisms
- performance metrics and management of them
- plans for management of underperformance and its financial impact
- governance arrangements including through supply chains where significant contract value rests with subcontractors
- resource plans
- service improvement plans

Where appropriate to do so information will be updated as required during the life of the contract so it remains current;

In addition, as a public authority, ORR is subject to the provisions of the Freedom of Information Act 2000. All information submitted to a public authority may need to be disclosed by the public authority in response to a request under the Act. ORR may also decide to include certain information in the publication scheme which it maintains under the Act. If a bidder considers

that any of the information included in its proposal is commercially sensitive, it should identify it and explain (in broad terms) what harm may result from disclosure if a request is received and the time period applicable to that sensitivity. Bidders should be aware that even where they have indicated that information is commercially sensitive ORR may be required to disclose it under the Act if a request is received. Bidders should also note that the receipt of any material marked “confidential” or equivalent by the public authority should not be taken to mean that the public authority accepts any duty of confidence by virtue of that marking. If a request is received ORR may also be required to disclose details of unsuccessful bids

Please use the following matrix: to list such information:

Para. No.	Description	Applicable exemption under FOIA 2000