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1. PURPOSE

1.1 The purpose of this requirement is to:

1.1.2 Develop a good understanding of specific international practice, on infrastructure project approval and decision-making, particularly from an infrastructure developer perspective. This should draw on the practice of decision-making and planning from other countries.

1.1.3 Identify any delays or barriers to long-term decision-making.

2. BACKGROUND TO THE CONTRACTING AUTHORITY

2.1 The Authority (Her Majesty's Treasury) is the Government's economic and finance ministry, maintaining control over public spending, setting the direction of the UK's economic policy and working to achieve strong and sustainable economic growth.

3. REMIT OF THE NIC AND THE NIA

3.1 The National Infrastructure Commission ("NIC") is an executive agency of the Treasury that enables long term strategic decision making to build effective and efficient infrastructure for the UK. Whilst Her Majesty's Treasury is the Contracting Authority, all analysis and outputs in the requirement are commissioned by, and will be delivered by the Potential Provider exclusively to, the NIC. Analysis and outputs must not be shared or discussed with any party other than the NIC, without explicit NIC consent.

3.2 The NIC operates independently, at arm's length from government. Its objectives are to support sustainable economic growth across all regions of the UK, improve competitiveness and improve quality of life.

3.3 The NIC was set up in October 2015 to look at the UK's future needs for nationally significant infrastructure, helping to maintain UK's competitiveness amongst the G20 and provide greater certainty for investors by taking a long term approach to the major investment decisions facing the UK.

3.4 Each Parliament, the NIC will deliver a study on the UK's long-term strategic infrastructure needs and to produce recommendations of solutions to address those needs across the infrastructure sectors including transport, energy, water & wastewater, digital communication, solid waste, flood risk management as well as considering their interdependencies and their interaction with built environment. This study is the National Infrastructure Assessment (NIA). The delivery of the NIA will be overseen by the NIC's commissioners who are able to commission research and call for evidence from public sector bodies and private sector and other third party experts.

4. DEFINITIONS

Expression or Acronym	Definition
Governance	Defined here as the processes by which decisions are made in approving infrastructure projects.
NIA	National Infrastructure Assessment
NIC	National Infrastructure Commission

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Infrastructure projects	New build projects or major upgrades (which might be physical or digital, eg SMART motorways) to infrastructure providing services in the following sectors: transport, energy, digital communication, water and wastewater, solid waste management and flood risk management.
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5. SCOPE OF REQUIREMENT

- 5.1 This requirement covers related themes in the field of infrastructure decision-making. Potential Providers should note the following issues are not part of the scope of this procurement, and should be avoided, except where they relate directly to – and would clearly help to illustrate or support arguments to address – the issues and questions covered in this requirement:
- 5.1.1 General economic debate on decision-making – such as general economic arguments on rationality and optimism bias;
 - 5.1.2 General overview of the governance of a particular country;
 - 5.1.3 General discussion of infrastructure in a particular country, e.g. on financing and funding issues;
 - 5.1.4 Recommendations on which practices to adopt.
- 5.2 The NIC is engaged with UK Foreign and Commonwealth Office (FCO) contacts to understand other countries' institutions. The NIC and Potential Provider should seek to avoid duplication between this FCO work and the Services, hence the focus of this requirement on infrastructure developer experience. The relationship between the two projects will be discussed at the inception meeting.
- 5.3 The NIC plans to limit scope to certain countries which are generally regarded as having good infrastructure practices – see 7.3.1.

6. BACKGROUND TO THE REQUIREMENT

- 6.1 The NIA will consist of two stages: Vision and Priorities, identifying the vision and long-term infrastructure needs which is to be published in the summer 2017; and the final NIA, a roadmap of recommendations including both on policy and infrastructure solutions to be published in 2018.
- 6.2 The NIC has commenced work on Vision and Priorities, setting future vision and scenarios and looking ahead to infrastructure requirements for the next 30 years. Between May and August 2016, the NIC carried out a public [NIA consultation](#) in order to develop the best process and methodology of the assessment.
- 6.3 The focus of the NIA is on long-term strategic plans, and therefore, it will not seek to discuss in the reports the very short-term infrastructure delivery issues which are outside its scope, except when these issues have strong strategic bearings on overall long-term plans. Potential Providers should read both the NIC's consultation on the NIA in 6.2, as well as the [HM Treasury's response](#) to its own consultation regarding the establishment and functions of the NIC, in order to understand the broader context for this requirement and inform their response.
- 6.4 In conducting its work, the NIC recognises that decision-making is a key issue. It is of strategic importance to ensuring the long-term continuous functioning of infrastructure.

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The NIC is therefore commissioning this procurement in order to support its development of a national infrastructure assessment.

- 6.5 Persistent issues in infrastructure, include delays in decision-making and a lack of effective consultation and engagement. This can lead to the use of legal mechanisms, to challenge infrastructure decisions or delay construction. The NIC wishes to engage more deeply with the private sector to make recommendations on how decisions can be made more effectively. We are working with the Foreign and Commonwealth Office to understand more about practices in other countries and would also like to understand project approval from an infrastructure developer perspective.

7. THE REQUIREMENT

- 7.1 The Potential Provider should set out specific examples of practices from other countries and how their processes work, from a developer's perspective, from the inception to the delivery of an infrastructure project. From these examples, which should include examples of both successful and less successful projects (eg those suffering major delays or cost overruns), the Potential Provider should set out analysis of best practice approaches to getting infrastructure built. This means specific evidence from discussion with organisations who have built infrastructure, with examples of the different project approval practices and approaches to decision making they have experienced.

- 7.2 At the start of the project the NIC will hold an initial meeting with the Potential Provider. The Potential Provider will then produce a short inception report which clarifies the approach to be taken, along with a plan setting out how the key milestones and dates for deliverables will be met; as well as identified risks, issues and mitigation register – for agreement, before proceeding to carry out the analysis. The NIC expects the Potential Provider to work closely with the NIC, including weekly phone calls, meetings and other communication.

- 7.3 The requirement covers the following analysis and outputs:

- 7.3.1 A summary of infrastructure project approval practice from a selection of countries, particularly from an infrastructure developer perspective, comprising:

France; including experience of the National Commission for Public Debate (Commission Nationale du Débat Public – CNDP);

A list of other countries with effective project approval mechanisms, to be finalised by the Potential Provider and the NIC at the initial meeting, which might include:

Netherlands;
Japan;
Hong Kong;
South Korea;
Australia; and
Canada.



- 7.3.2 In carrying out research it is recommended the Potential Provider cover a series of questions/requirements for each country which could include, but should not be limited to:
- 7.3.2.1 Describing the key decision-making processes in the country, to enable infrastructure projects to go ahead, including planning consent as well as economic and environmental regulatory approval. We want to understand the entire decision-making process from start to finish and identify where the key blockages and challenges occur. In particular we would like the Potential Provider to consider the following areas:
- (a) Who are the decision-makers; what processes must they go through; what timetables are (i) prescribed; (ii) normally achieved for significant infrastructure projects?¹
 - (b) How is public consultation undertaken; what scope is there for objectors to seek changes, delay the process, appeal against or re-open decisions? How is public engagement positively encouraged?
 - (c) Does the country have any particularly interesting or innovative frameworks or institutions for deciding which infrastructure projects to go ahead with?
- 7.3.2.2 Provide references where appropriate, to source material. Provide case studies of how these processes have impacted on infrastructure developers in practice, e.g. utilities or transport infrastructure providers. Please include a range of studies showing examples. What are the main causes of delay in approving infrastructure development? We are interested to identify cases where decision-makers are successful in delivering high quality projects on a timely basis, with effective local engagement and what it is that leads to such an outcome. We also want to understand where project approval processes have proved less successful, eg due to lengthy delays, re-opening of decisions, or poor engagement with the public.
- 7.3.2.3 With reference to France, what has been the experience of the National Commission for Public Debate? Provide case studies of projects that have gone through this process. Has it enabled a timely, good quality long-term decision-making framework for infrastructure projects?
- 7.4 The Potential Provider should set out the specific stages of the Project Lifecycle and the blockages that occur to hinder effective decision making in each of the case studies.
- 7.5 The Potential Provider will then draw together the evidence, drawing on their own in-house expertise and/or interviewing people, to analyse and summarise answers to the

¹ A definition of 'significant' used in the UK Infrastructure Projects Authority pipeline, is projects over £50m.

questions, comparing best practice. This summary should be of sufficient granularity and well-evidenced such that it can be used by the NIC to develop options for improvements to UK processes.

- 7.6 All materials used to generate the analysis are to be provided to the NIC for future use.
- 7.7 If required by the NIC the Potential Provider will work collaboratively with other third parties contracted by the NIC. That may include, but is not limited to, sharing analysis and methodologies, and developing jointly agreed assessments and conclusions to support the overall findings of individually commissioned pieces of research.
- 7.8 Empirical data that is used is to be derived from a range of credible sources with appropriate references and citations.
- 7.9 The Potential Provider must be prepared to present to technical and non-technical members of the NIC setting out key findings in a clear and concise fashion, to ensure these are fully understood.
- 7.10 The Potential Provider will submit a final report detailing analysis, findings and comments in a clear and concise fashion – this should reflect any inputs/requests made by the NIC during the production phase. The NIC intends to publish this report.
- 7.11 As part of the NIC’s quality assurance process, the NIC could choose to have peer review of the output to be conducted by a third party or the NIC’s expert advisory panels. It is required that the Potential Provider will need to work proactively and collaboratively with the NIC to consider any reasonable comments and to incorporate them into their work and output accordingly.

8. KEY MILESTONES

- 8.1 Potential Providers are to note the following project milestones that the NIC will measure the quality of delivery against:

Milestone	Description	Timeframe
1	Project inception meeting with the NIC to include providing a plan within 3 working days, setting-out key milestones and dates for deliverables, risks and how these will be managed.	Meeting by 19th April 2017
2	Interim findings to be provided to the NIC	By 26th April 2017
3	First draft of final report to be shared with the NIC	By 10th May 2017
4	Final draft of final report to be submitted to the NIC	By 24th May 2017

9. THE NIC’S RESPONSIBILITIES

- 9.1 The NIC will share pertinent information received, including through relevant stakeholders, and work with the Potential Provider to provide clarity on the Requirement.

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10. REPORTING

- 10.1 As set out in Section 8 (Key Milestones). Additionally, the Potential Provider will be expected to update the NIC on project progress on a weekly basis via meeting, phone call or email, including to flag any issues or early findings.

11. CONTINUOUS IMPROVEMENT

- 11.1 The Potential Provider will be expected to give due consideration to the way in which the required Services are to be delivered throughout the Contract duration and can be continually improved.
- 11.2 Changes to the way in which the Services are to be delivered must be brought to the NIC's attention and agreed prior to any changes being implemented.

12. QUALITY

- 12.1 The NIC will look to cite findings from the project in May 2017, therefore, outputs should be to a publishable standard, with all assumptions and caveats clearly highlighted.
- 12.2 The NIC will provide feedback at key milestone stages to inform the drafting of the report and to ensure this meets the necessary quality standards.
- 12.3 Potential Providers are expected to preset their methodology as part of their tender submission. Successful bidders will be informed of the address within the stage 1 outcome letters however the location will be central London.

13. PRICE

- 13.1 Prices are to be submitted via an Appendix E, Pricing Schedule.
- 13.2 Prices must be inclusive of all expenses and exclusive of VAT.
- 13.3 Potential Providers must submit their cost for completion of the entire research project.

14. STAFF AND CUSTOMER SERVICE

- 14.1 The NIC requires the Potential Provider to provide a sufficient level of resource – with sufficient but not excessive senior involvement and oversight – throughout the duration of the Contract in order to consistently deliver a quality service to all parties and deliver value for money.
- 14.2 Potential Provider's staff assigned to the Contract shall have the relevant qualifications, experience and expertise to deliver the Contract. The NIC does not prescribe any single set of minimum requirements in terms of skills or qualifications, but the Potential Provider must demonstrate as part of its bid that its delivery team contains staff with sufficient expertise and skills.
- 14.3 The Potential Provider will not replace staff members in the team which were assembled and presented in the bidding process without informing and getting consents from the NIC.
- 14.4 The Potential Provider shall ensure that staff understand the NIC's vision and objectives and will provide excellent customer service to the NIC throughout the duration of the Contract.

15. SERVICE LEVELS AND PERFORMANCE

- 15.1 The NIC will measure the quality of the Potential Provider's delivery by:
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KPI/SLA	Service Area	KPI/SLA description	Target	Remedy
#1	Agreed approach	A plan setting out key milestones and dates for deliverables, risks and how these will be managed, etc.	By 19th April 2017	2% of the milestone 3 payment, for each working day past the agreed milestone
#2	Output from first draft of report for Requirement	A draft paper addressing the issues set out in the requirement including final draft of analysis, views and findings.	By 10th May 2017	3% of the milestone 3 payment, for each working day past the agreed milestone
#3	Outputs from the Final Report, publishable form	A satisfactory final report covering the key outputs described in the requirement, incorporating feedback as shared at milestone 3.	By 24th May 2017	3% of the milestone 4 payment, for each working day past the agreed milestone

16. SECURITY REQUIREMENTS

- 16.1 Due care must be taken by the Potential Provider to protect the confidentiality of all analysis and outputs (including in development and draft phases) relating to this requirement, to avoid pre-empting the NIC's placement of the final report in the public domain.
- 16.2 The Potential Provider will not release or discuss the requirement with any third party until the embargo has been lifted, to be confirmed in writing by the NIC at such point.

17. INTELLECTUAL PROPERTY RIGHTS (IPR)

- 17.1 The report and any associated documents will be the intellectual property of the NIC.
- 17.2 Analysis, including any calculations and models, used to generate the outputs should be provided to the NIC for future use. The Potential Provider must not disclose the report (either in part or in full) to any third parties prior to publication by the NIC, unless the NIC gives consent to do so.

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18. PAYMENT

- 18.1 Payment can only be made following satisfactory delivery of the pre-agreed certified products and deliverables. Payment will be made in arrears, subject to invoice(s) being submitted for work carried out.
- 18.2 Before payment can be considered, invoice(s) must include a detailed elemental breakdown of work completed and the associated costs.
- 18.3 40% of the capped fee will be paid at milestone 3; 60% of the remaining fee will be paid on the successful completion of milestone 4.

19. LOCATION

- 19.1 The location of the Services will be carried out at the offices of the Potential Provider. However frequent meetings will need to take place with the National Infrastructure Commission at the Potential Provider's offices, or at the NIC's offices in the Eastcheap Court 11 Philpot Lane, London EC3M 8UD.