**Specification for Tracking progress on energy efficiency in the manufacturing sector**

Tender Reference Number: AG/1221

**Specification of Requirements**

Invitation to Tender for ‘Tracking progress on energy efficiency in the manufacturing sector’

Tender Reference Number: AG/1221

Deadline for Tender Responses: 23:59 17th January

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# Background

**The Committee on Climate Change**

The Committee on Climate Change (CCC) was set up as part of the UK Climate Change Act. The CCC is an independent body tasked with providing advice to Government on climate change issues, and particularly the setting of carbon budgets, and the monitoring of progress towards meeting those budgets.

The committee is required to report to Parliament each year on UK progress and will publish its next report to Parliament in June 2022. An important element of these reports is tracking progress against indicator pathways and in the CCC’s 2021 progress report[[1]](#footnote-1) the committee set out its plan to develop a better set of indicators to reflect ambition aligned towards the UK’s new Sixth Carbon Budget ambition.

**Energy efficiency in the CCC’s manufacturing decarbonisation pathways**

In the CCC’s Sixth Carbon Budget[[2]](#footnote-2) our energy efficiency abatement pathways are primarily based on the ‘Max Tech’ scenarios from the ‘2015 BIS Industrial Decarbonisation and Energy Efficiency Roadmaps to 2050’,[[3]](#footnote-3) but also assume some additional abatement from sectors not covered by the Roadmaps.

• We evaluated the abatement costs for all the measures in the Max Tech pathways from the Roadmaps and included all of those that are cheaper than 350 £/tCO2e.

• As there are likely to be energy efficiency opportunities in the less-energy intensive sectors, where energy efficiency opportunities may be less salient to decision makers, we assumed a 12 TWh overall energy demand reduction across the less-energy-intense sectors based on BEIS analysis.

The Methodology Report contains other details about the pathway.[[4]](#footnote-4)

# Aims and Objectives

The high-level aim of this work is to ensure that the CCC has an effective approach to track progress on energy efficiency improvement in the UK manufacturing sector. This aim can be split into three objectives, set out below. The balance of work between objectives (b) and (c) will depend upon the success of the project in identifying data that is appropriate to allow us to monitor progress.

1. **Develop indicator pathways**

The project should develop a set of quantitative pathways that:

* Reflect progress on energy efficiency in the manufacturing sector with a level of ambition consistent with our Sixth Carbon Budget Balanced Pathway.
* Use metrics that reflect genuine improvement in energy efficiency (and not, for example, changes in the composition of the UK manufacturing sector)
* Has corresponding data available to track how the UK is progressing against the pathway. (see objective b)

In developing the pathway, if improved evidence is available on what energy efficiency measures would be most effective as part of overall UK decarbonisation (compared to that used for our Sixth Carbon Budget advice, as highlighted in the background section), there may be value in using this evidence to underpin the pathways and we would welcome any new suggested underpinning evidence.

1. **Identify data to track**

The project should identify ‘outturn’ data that are suitable for tracking progress on energy efficiency in UK manufacturing, against the indicator pathways developed. This will need to be accompanied by a feasible approach for the CCC to access this data on an ongoing basis (at least annually).

1. **Recommend data collation or collection**

If the work finds that there are important aspects of UK manufacturing energy efficiency that cannot be tracked using data that is currently collated, then the project should develop detailed recommendations on suitable data to be collated or collected. These recommendations will need to be realistic, specific and actionable.

# Methodology

With uncertainty about the balance of work between objectives a, b, and c, we suggest a two-stage approach to the project.

In the first stage, we would expect work to simultaneously

* Identify data that can be used to track progress
* Identify metrics that reflect genuine improvement in energy efficiency

so that the project can decide which metrics and data to proceed with, or whether there is not currently appropriate data available

The second stage should then develop the indicator pathways and or any recommendations for data collation /collection.

Bids should demonstrate how their proposed approach will maximise the chance of ensuring the successful identification of data and thus successful indicator development. We would expect this will require substantial stakeholder engagement, including through the CCC’s existing relationships with Government analysts.

We also suggest that they should set out a) a plan that assumes that data will be available, and b) a plan that applies if suitable data are not available – and provide different bid prices depending on which of those outcomes pertain.

The project will also need to work with CCC analysts to ensure the indicators consistent with CCC pathways.

# Outputs Required

The outputs of the work should include:

* The quantitative indicator pathways in Microsoft Excel
* Recommended data sources to use to track against the indicator pathways.
* A short report to summarise and explain the main metric options, the main data sources available, how tracking can be implemented and any recommendations for government of data to collate/collect.

Where excel workbooks are used these should be shared, fully unlocked and linked to rest of the excel workbook deliverable above, allowing future capability to update assumptions and re-run outputs.

We envisage that bidders may need to make use of pre-existing knowledge to enable delivery and welcome this. However, this should not limit the transparency of approaches used in this project, and all outputs should be provided in a publishable format. In the event of any limitations on sharing (e.g. in wider sharing beyond the CCC), these should be specified as part of the tender.

# Ownership and Publication

The key deliverables will be handed over to the CCC, who may choose to publish these on their website. Spreadsheets should be open access and unrestricted, to enable full QA of results and assumptions.

# Quality Assurance

This project must comply with the ‘CCC – Quality Assurance of Evidence and Analysis’ guidance[[5]](#footnote-5) and bidders must set out their approach to quality assurance in their response to this ITT.

All research tasks and modelling must be quality assured and documented. Contractors should:

• Include a quality assurance (QA) plan that they will apply to all of the research tasks and modelling,

• Specify who will take lead responsibility for ensuring quality assurance and ensure that this responsibility rests with an individual not directly involved in the research, analysis or model development,

• Provide QA log to demonstrate the QA undertaken, including who undertook the QA and the scope, type and level of QA that has been undertaken (e.g. a log entry only stating ‘the data was checked’ will not be sufficient),

• Allow for a meeting with CCC staff to run through QA performed.

Sign-off for the quality assurance must be done by someone of sufficient seniority within the contractor organisation to be able take responsibility for the work done. Acceptance of the work by the CCC will take this into consideration. The CCC reserves the right to refuse to sign off outputs which do not meet the required standard specified in this invitation to tender.

The successful bidder will be responsible for any work supplied by sub-contractors and should therefore provide assurance that all work in the contract is undertaken in accordance with the quality assurance expectation agreed at the beginning of the project.

# Timetable

The proposed timetable for the project is set out in the following table. In addition to the formal reporting points, the CCC would expect to have regular scheduled discussions (weekly meetings or calls) to ensure the work is progressing as expected.

|  |  |
| --- | --- |
| Date | Action |
| 23:59 17th Jan 2022 | Deadline for response to ITT |
| 20th Jan 2022 | Interviews (if required) |
| 26th Jan 2022 | Kick-off meeting |
| 20th April 2022 | All deliverables |

# Challenges

We expect the challenges for this project to include: data availability, planning when the project outcomes are uncertain, achieving stakeholder buy-in, developing an understanding of existing analysis (such as the Roadmaps) and the short timeframe. Bids should set out how they will manage these and other challenges.

# Ethics (amend to suit or delete if not applicable)

All applicants will need to identify and propose arrangements for initial scrutiny and on-going monitoring of ethical issues. The appropriate handling of ethical issues is part of the tender assessment exercise and proposals will be evaluated on this as part of the ‘addressing challenges and risks’ criterion.

We expect contractors to adhere to the following GSR Principals:

1. Sound application and conduct of social research methods and appropriate dissemination and utilisation of findings
2. Participation based on valid consent
3. Enabling participation
4. Avoidance of personal harm
5. Non-disclosure of identity and personal information

# Working Arrangements

The successful contractor will be expected to identify one named point of contract through whom all enquiries can be filtered. A CCC project manager will be assigned to the project and will be the central point of contact.

# Skills and experience

CCC would like you to demonstrate that you have the experience and capabilities to undertake the project. Your tender response should include a summary of each proposed team members experience and capabilities.

Contractors should propose named members of the project team, and include the tasks and responsibilities of each team member. This should be clearly linked to the work programme, indicating the grade/ seniority of staff and number of days allocated to specific tasks.

Contractors should identify the individual(s) who will be responsible for managing the project.

Knowledge of the ‘2015 BIS Industrial Decarbonisation and Energy Efficiency Roadmaps to 2050’ analysis would be beneficial but is not essential.

# Consortium Bids

In the case of a consortium tender, only one submission covering all of the partners is required but consortia are advised to make clear the proposed role that each partner will play in performing the contract as per the requirements of the technical specification. We expect the bidder to indicate who in the consortium will be the lead contact for this project, and the organisation and governance associated with the consortia.

Contractors must provide details as to how they will manage any sub-contractors and what percentage of the tendered activity (in terms of monetary value) will be sub-contracted.

If a consortium is not proposing to form a corporate entity, full details of alternative proposed arrangements should be provided. However, please note CCC reserves the right to require a successful consortium to form a single legal entity in accordance with Regulation 28 of the Public Contracts Regulations 2006.

CCC recognises that arrangements in relation to consortia may (within limits) be subject to future change. Potential Providers should therefore respond in the light of the arrangements as currently envisaged. Potential Providers are reminded that any future proposed change in relation to consortia must be notified to CCC so that it can make a further assessment by applying the selection criteria to the new information provided.

# Budget

The budget for this project is £25000 to £30000 excluding VAT.

Contractors should provide a full and detailed breakdown of costs (including options where appropriate). This should include staff (and day rate) allocated to specific tasks.

Cost will be a criterion against which bids which will be assessed.

Payments will be linked to delivery of key milestones. The indicative milestones and phasing of payments can be adjusted and agreed with the contractor and Project Manager. Please advise in your tender response how this breakdown reflects your usual payment processes:

In submitting full tenders, contractors confirm in writing that the price offered will be held for a minimum of 60 calendar days from the date of submission. Any payment conditions applicable to the prime contractor must also be replicated with sub-contractors.

The Committee on Climate Change aims to pay all correctly submitted invoices as soon as possible with a target of 10 days from the date of receipt and within 30 days at the latest in line with standard terms and conditions of contract.

# Evaluation of Tenders

Contractors are invited to submit full tenders of no more than 10 pages, excluding declarations and CV’s. Tenders will be evaluated by at least two CCC staff.

CCC will select the bidder that scores highest against the criteria and weighting listed below, see the ITT for further information.

**EVALUATION CRITERIA AND SCORING METHODOLOGY**

|  |  |  |
| --- | --- | --- |
| Criterion | Description | Weighting |
| 1 | RELEVANT EXPERIENCE / DEMONSTRATION OF CABABILITY | 20% |
| 2 | MANAGING YOUR RELATIONSHIP WITH THE CCC | 10% |
| 3 | QUALITY ASSURING THE SERVICES YOU PROVIDE | 10% |
| 4 | MANAGEMENT STRUCTURE | 5% |
| 5 | PROJECT TEAM – SKILLS AND KNOWLEDGE | 20% |
| 6 | METHOD, ABILITY AND TECHNICAL CAPACITY | 15% |
| 7 | UNDERSTANDING OF REQUIREMENTS | 10% |
| 8 | RISK AND CHALLENGES | 10% |
|  |  | 100% |

**Scoring Method**

Tenders will be scored against each of the criteria above, according to the extent to which they meet the requirements of the tender. The meaning of each score is outlined in the table below.

The total score will be calculated by applying the weighting set against each criterion, outlined above; the maximum number of marks possible will be 100. Should any contractor score 1 in any of the criteria, they will be excluded from the tender competition.

|  |  |
| --- | --- |
| **Score** | **Description** |
| 1 | Not Satisfactory: Proposal contains significant shortcomings and does not meet the required standard |
| 2 | Partially Satisfactory: Proposal partially meets the required standard, with one or more moderate weaknesses or gaps |
| 3 | Satisfactory: Proposal mostly meets the required standard, with one or more minor weaknesses or gaps. |
| 4 | Good: Proposal meets the required standard, with moderate levels of assurance |
| 5 | Excellent: Proposal fully meets the required standard with high levels of assurance |

**Scoring for Pricing Evaluation**

Price will be marked using proportionate pricing. Please see the example below.

Marking proportionate to the lowest price.

Price will be scored as set out below.

There will be a maximum of e.g. 20 marks

The lowest priced bid will receive the full 20 marks, all other bids will then be marked as set out below.

Proportionate Pricing scoring example

If 20% = 20 marks

|  |  |  |
| --- | --- | --- |
| Supplier | Price | Marks |
| 1 (lowest bid) | £50,000 | 20 |
| 2 | £60,000 | 50/60 \* 20 = 16.7 |
| 3 | £75,000 | 50/75 \* 20 = 13.3 |

**Structure of Tenders**

Contractors are advised to structure their tender submissions to cover each of the criteria above and supply a price schedule specifying the daily rates (ex-VAT) you will charge for each level of your staff.

**Evaluation for Interviews, if held**

CCC reserves the right to award the contract based on applicants’ written evaluation only if one candidate emerges from the evaluation stage as significantly stronger than the others.

Should interviews go ahead, CCC will shortlist the top three suppliers with the highest marks from the written proposals. Interviews are provisionally expected to be held on 20th January 2022). If this date changes, CCC will notify applicants.

The areas to be covered in the interview, and markings allocated to each topic area will be sent to the shortlisted supplier prior to interview.

Further details of interviews will be sent to successful applicants on selection.

**Feedback**

Feedback will be given in the unsuccessful letters or emails.

1. https://www.theccc.org.uk/wp-content/uploads/2021/06/Progress-in-reducing-emissions-2021-Report-to-Parliament.pdf [↑](#footnote-ref-1)
2. https://www.theccc.org.uk/publication/sixth-carbon-budget/ [↑](#footnote-ref-2)
3. DECC & BIS (2015) Industrial Decarbonisation and Energy Efficiency Roadmaps to 2050. https://www.gov.uk/government/publications/industrial-decarbonisation-and-energyefficiency-roadmaps-to-2050 [↑](#footnote-ref-3)
4. https://www.theccc.org.uk/wp-content/uploads/2020/12/The-Sixth-Carbon-Budget-Methodology-Report.pdf [↑](#footnote-ref-4)
5. <https://www.theccc.org.uk/wp-content/uploads/2013/02/Quality-Assurance-interim-guidance.pdf> [↑](#footnote-ref-5)