

**INVITATION TO TENDER**

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**STATEMENT OF REQUIREMENT**

**Review of opportunities from Highways England’s innovation and standards management**

**CPV Code: 71311210, 79410000, 79411100**

**Tender Reference: ORR/CT/18-53**

**Purpose of document**

The purpose of this document is to invite proposals for a **review of opportunities from Highways England’s innovation and standards management** for the Office of Rail and Road (ORR).

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 now also hold Highways England 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 300 personnel and operates from 6 locations nationwide. The majority of personnel are located at ORR’s headquarters, One Kemble Street, London.

Our strategic objectives

1. **Health and Safety**  
   At ORR, our goal is clear: to continue to drive for a safer railway through compliance with the law and striving for excellence. Our focus for the coming year will be on four key challenges: managing change; maintaining safe and sustainable assets; safety culture and occupational health, and; safety by design.
2. **Better rail customer service**  
   We are here to protect the interests of those who use our railways so that they get the service to which they are entitled. Continued growth, and changes in the structure of our railways have increased the importance of this role. Our consumer work focuses on enforcement of consumer and competition law, and ensuring compliance with the conditions contained in Network Rail’s and train operator’s licences.
3. **Value for money from the railway**  
   Passengers, freight customers, governments, taxpayers and the general public rightly expect an efficient service from a railway that delivers good value for money. A principal task is holding Network Rail and HS1 to account for performance, stewardship and enhancement of the network.
4. **Promoting a dynamic and commercially sustainable rail sector**  
   This year will be a critical one as we help to shape the railway for a successful and sustainable future. We will reach the culmination of our extensive work on the Periodic review (PR18); our final determination will set out our overall package of decisions for Network Rail for the next five years.
5. **Better highways**  
   Our job is to monitor Highways England’s performance to ensure that the rising number of users on England’s strategic road network get predictable journeys on safe, good quality roads. Entering our fourth year, we have well-established our role as Highways Monitor on the first road period, and are working to inform the nest road investment strategy (RIS2).
6. **High performing regulation**  
   We will be an effective, high-performing regulator as continuing change in the industry throws up a new set of challenges and opportunities. Our work helps ensure that users and funders are not put at a disadvantage by the monopoly ownership of the networks we oversee, that customers get access to the railway in a fair manner, and that we protect the interests of future users and funders of the strategic road network and the railway.

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:

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

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| --- | --- | --- | --- | --- | --- |
| **Enterprise Category** | **Headcount** | **Turnover** | **or** | | **Balance Sheet Total** |
| **Micro** | **<10** | **≤ € 2 million** | | **≤ € 2 million** | |
| **Small** | **<50** | **≤ € 10 million** | | **≤ € 10 million** | |
| **Medium** | **<250** | **≤ € 50 million** | | **≤ € 43 million** | |
| **Large** | **>251** | **> € 50 million** | | **> € 43 million** | |

**2. Statement of Requirement**

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| **2.1 Background to the project** |
| The Office of Rail and Road (ORR) independently monitors Highways England’s management of the motorways and main A roads in England (the strategic road network). We monitor how Highways England delivers performance, including efficiency, safety and sustainability, for the benefit of road users and the public. This includes investigating, publishing reports, giving advice to the Secretary of State (SoS) on whether and at what cost it is meeting the objectives of the Road Investment Strategy (RIS) and providing advice to the SoS on the development of RIS2.  Work is underway to develop the Road Investment Strategy for England’s motorways and major ‘A’ roads for 2020-2025 (RIS2). ORR has an important role in advising on RIS2, including advising on the deliverability and affordability of the Draft RIS and Highways England’s response to it, the Draft Strategic Business Plan (Draft SBP).  The purpose of this project is to review opportunities from Highways England’s innovation and standards management in its approach to RIS2 and beyond. We will highlight the outcome of the project to Highways England and DfT (RIS Client).  During 2017-18, we undertook a review of Highways England’s delivery of its ring fenced funds which includes a fund for innovation of £120m over the first road period (2015-2020). This review should draw on, and not duplicate the previous study. |
| **2.2 Project Objectives & Scope** |
| **Objectives**  We are seeking consultancy services to support our assessment of opportunities from Highways England’s innovation and standards management. The objectives are to:   * review Highways England’s approach to identifying, encouraging and implementing innovation and standards management in its operation, maintenance, renewal and enhancement of the strategic road network; and * review the potential to make improvements in its approach to innovation and standards management for RIS2 and beyond.   The review will focus on process, framework and policy, and only look at specific innovations through case studies.  **Scope**  To achieve the above objectives the work is expected to include:   * review of Highways England’s innovation and standards management culture, leadership and governance; * review of the company’s innovation strategy, policy and procedures, including implementation plans and progress against plans; * review of how Highways England identifies potential innovations through:   + engagement with innovation partners, suppliers, government, academia, other transport authorities and wider industry;   + its own research, development, piloting and roll-out;   + its ring-fenced fund (avoiding duplication with previous work); * review of how it encourages, reports (monitors) and implements innovation through:   + its procurement / contractual / commercial approach (e.g. sharing risk);   + its management of engineering standards (e.g. an effective process for assessing and agreeing derogations to standards to allow trials) to make sure they are not a barrier;   + its processes for sharing innovative ideas internally;   + its ring-fenced fund (avoiding duplication with previous work); * survey / interview of stakeholders to understand:   + their views of Highways England’s approach to innovation and standards management;   + specific examples of good practice / concerns / areas for improvement (e.g. example of where the company’s standards management has acted as a barrier); * identify and report on case studies highlighting good practice and areas for future improvement which may cover:   + innovation in materials;   + innovation in plant;   + innovation in construction;   + innovation in procurement;   + innovation in operation;   + innovation in maintenance;   + innovation in specific outcome areas; * benchmark Highways England’s management of innovation and standards management against best practice seen elsewhere; and * review and report on actions that are being taken, or recommend actions that should be taken, to support innovation in RIS2 and beyond.   **Methodology**  The consultancy should set out its proposed methodology to deliver the objectives and scope of work defined above. The methodology should include as a minimum:   * A proposal for the desk and field study to address the scope outlined above; * A proposal for engaging Highways England, as relevant, to inform the review; * A proposal for engaging the ORR team; * A proposal to engaging stakeholders; * A comprehensive project plan; and * Outline plan for presenting the outputs and deliverables.   The consultancy should work with ORR and Highways England to ensure that findings and recommendations are understood and agreed as appropriate. Any conclusions drawn should be backed up by material and balanced evidence. The consultancy will be expected to manage its own inputs and ensure the impacts of its work are conducted in a manner which is cognisant of the wider licence and monitoring framework principles – i.e. the approach should be proportionate, seek to avoid duplication, and use existing management information where available.  Both ORR and Highways England expect that consultants will be competent, experienced and knowledgeable in the required areas. Suppliers must demonstrate that there is no conflict of interest. Highways England may report back to ORR if the consultancy staff appears to be unsuitable for the task.  The consultant should note the sensitivity of this work/activity. The use/reference to this activity outside of the provision of the outputs will require approval in writing from Highways England, including any marketing material or references to approach.  Highways England will be involved in the evaluation of proposals against the stated criteria except for the proposed cost of the work, which will remain confidential and be evaluated solely by the ORR. Highways England is also expected to attend interviews of potential consultancies.  **Engagement / collaboration with Highways England**  The consultancy appointed will have access to available information necessary to carry out the review and to deliver the objectives and scope identified above.  Highways England is supportive of this review and has defined its objectives for collaborative working as follows:   * The coordination of all work with Highways England will be through Highways England’s Strategy and Planning Division who are responsible for managing the relationship with ORR; * At the start of the commission the consultancy will be required to engage with Highways England to set out its proposed approach and project plan for conducting the review; * Meetings with Highways England must be agreed at least 2 weeks in advance, with a written agenda clearly setting out the purpose and objectives of the meeting; and * Meetings with Highways England staff will be at Highways England’s offices unless previously agreed with the Strategy and Planning team. |
| **2.3 Project Outputs, Deliverables and Contract Management** |
| **Outcomes / Deliverables**  The output, for each phase, from the work will be :   * A draft report to ORR setting out an objective assessment of the opportunities from Highways England’s innovation and standards management; * A catalogue of evidence in support of the reports; and * Slide pack and presentations of findings as required. * A final report to ORR setting out an objective assessment of the opportunities from Highways England’s innovation and standards management;   **Contract Management Requirements**  The project plan should be agreed at an inception meeting at the earliest, mutually convenient time after contract award. The proposed approach to contract management should reflect the relatively short duration and narrow scope of the project. For example, for each phase we might expect the consultant to deliver:   * Fortnightly progress reports against the project plan (by email); * Face-to-face or teleconference progress meetings to address specific risks or issues as required; * A draft report for comment (which covers the areas listed above for the final report) and face-to-face discussion of results; * A final report; and * Slide deck of the findings and recommendations. |
| **2.4 Project Timescales** |
| **Project Timescale**   * Following close of this tender we may interview potential consultancies by mid November 2018 before confirming the appointment. * The work is expected to commence late November 2018. * The draft report and slide pack should be produced by mid February 2019. * The final report, catalogue of evidence and slide pack should be produced by mid March 2019. |
| **2.5 Budget and Payment Schedule** |
| The maximum budget for this work (both phases) is £40,000 (inc. of expenses, exc. of VAT), however ORR expects bids to be significantly below this threshold.  Payment Schedule:  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. |

**3. Tender Response & Evaluation criteria**

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| **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 * 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 * Some relevant examples of previous work that bidders have carried out (eg. case studies) AND/ OR Details of at least two relevant reference projects along with contact details of clients.   **d) Pricing**  A fixed fee for the project (separated by phases) inclusive of all expense. This should include  a breakdown of the personnel who will be involved with the project, for each phase, along with associated charge rates and anticipated time inputs that can be reconciled to the fixed fee. |
| **3.2 Evaluation Criteria** |
| Proposals received in response to the ITT will then be evaluated against the criteria and weightings included in the ITT.  Proposalswill be assessed for compliance with procurement and contractual requirements which will include:   * Completeness of tender information * Proposals submitted in accordance with the conditions and instructions for tendering * Proposal submitted by the closing date and time   Proposals that are not compliant may be disqualified from the process. We reserve the right to clarify any issues regarding compliance and it will ORR’s sole discretion whether to include relevant bidders proposals in the next stage of the process  **Quality Criteria (80%)** which consists of the following sub-criteria:  **- Methodology (15%)**  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) Demonstrate an understanding of the risks, and project dependencies and explain how they would be mitigated to ensure project delivery;  **- Delivery (15%)**  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) What other internal resources the specialist contractors can call on if required.  **- Relevant skills, knowledge & experience (50%)**  The proposal should set out the nominated delivery team’s experience relevant to the project requirement. In particular, it must:  a) Provide CVs of the consultants who will be delivering the project;  b) Highlight relevant experience of the delivery team for this project, submitting examples of similar projects.  c) Interviews may be necessary to verify the quality of the contractors  **Commercial Criteria (20%)**  **- 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 using the following matrix   |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | | 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:

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| **Element** | **Timescale** |
| Invitation to tender issued | 15 October 2018 |
| Deadline for the submission of clarification questions | 22 October 2018 @ 12:00 |
| Deadline for submission of proposals | 31 October 2018 @ 17:00 |
| Shortlisted suppliers notified | 7 November June 2018 |
| Interviews and presentations\* | 13 November 2018 |
| Award contract | 20 November 2018 |
| Project Inception Meeting | 28 November 2018 |

\*Please ensure that the Project Manager and other key consultants who will be delivering this work are available to give presentations on the interview date

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:

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| --- | --- | --- | --- |
| ***Clause Number*** | ***Existing Wording*** | ***Proposed Wording*** | ***Rational for amendment*** |
|  |  |  |  |
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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:

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| Para. No. | Description | Applicable exemption under FOIA 2000 |
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