# Invitation to Tender (ITT) and Statement of Requirement

# Introduction to Economic Regulation Training Course

28 November 2024

* + - * + **CPV Code: 80500000**
        + **Tender Reference: ORR/CT/24-68**

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Purpose of the document

The purpose of this document is to invite proposals for **an Introduction to Economic Regulation training course** 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

## Introduction to the Office of Rail and Road

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](https://www.orr.gov.uk/).

Small and Medium Enterprises

1. 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:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 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 |

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

## Statement of Requirement

### 2.1 Background of the project

### The ORR is the economic regulator for Britain’s railways. We regulate Network Rail and other railway networks, including the Channel Tunnel and High Speed 1. We regulate Network Rail by conducting five-yearly reviews (“periodic reviews”) that set its funding and what it must achieve within each control period, as well as the charges that train operators pay Network Rail to use its network. Our economic regulation is designed to incentivise Network Rail to make efficient use of its network, and to improve its performance for taxpayers and end users.

### In addition to rail, we are also responsible for monitoring and enforcing the performance and efficiency of National Highways.

### To fulfil these functions, the ORR has a team of around 15 professional economists working across road and rail. Our team of economists works alongside colleagues from other disciplines (including finance, legal, strategy and policy) to develop and implement our economic regulation.

### To support the ongoing development of colleagues in our economics and other teams, we are commissioning an external trainer to provide a training course on the basics of economic regulation. We are seeking an arrangement with a trainer to provide a training course on a recurring basis on an option no obligation basis, as and when is required by ORR, over a three-year period.

### 2.2 Project Objectives and Scope

This training course would be aimed at professionals who are relatively new to regulation – including new starters in our economics team as well as non-economics professionals who work closely with economists and / or on projects with a significant economics component. While the majority of attendees would come from the ORR, we would expect to reserve around a third of places for colleagues from other UK economic regulators.

The purpose of the course would be to introduce attendees to the basic economic concepts and principles which are relevant to regulating utilities, and how these are applied by the ORR (and other regulators). Attendees would then be able to use this knowledge in the course of their day-to-day work.

We envisage that the course would cover topics including:

* + - * + the rationale for / purpose of utilities regulation (e.g. natural monopolies);
        + how regulators set price controls;
        + cost assessment, benchmarking and efficiency analysis;
        + regulatory incentives; and
        + an overview of cost of capital.

The course should explicitly cover the regulation of infrastructure companies in public ownership, and how this differs from regulating privately-owned companies, as this is particularly relevant to the ORR (given the status of Network Rail and National Highways as public sector bodies).

We would also expect the course to cover case studies from across different regulated industries (including, but not limited to, rail), demonstrating how these concepts have been applied in practice in these industries.

We would also expect the course to include a session covering recent industry developments in the UK which have the potential to affect economic regulation; for instance, structural reform in rail.

We anticipate such a course fulfilling these outcomes would be run over a two-day period.

### 2.3 Project Outputs, Deliverables and Contract Management

#### Outputs and Deliverables

We would expect the supplier awarded the contract to deliver:

* + - * + **Number of courses**: we expect the first course to be held in February or March 2025. We envisage further courses would be held roughly every six months (i.e. up to a total of six courses for the duration of the three-year agreement), although this is not guaranteed work. We would expect bidders to be available as and when required by ORR.

The course content should be updated regularly to reflect the current economic environment, and we would expect there to be an opportunity for ORR to feed into this process before each course is held.

* + - * + **Format of training / delivery method**: we envisage the training would be delivered “classroom-style” via a series of modules covering the different topics, though potentially with some interactive elements e.g. short exercises for attendees to discuss in groups. We do not expect there to be significant pre-reading for attendees to complete.

We expect the course to be delivered entirely in person in our London office and for the course to be delivered as a single block over two consecutive days.

* + - * + **Number of attendees:** We expect that each iteration of the training course would be attended by 15-20 people. As explained in Section 2.2, this course would be open to colleagues in other UK regulators. The ORR would manage the attendee list for each iteration of the course, and make this list available to the supplier in advance of each course.
        + **Course materials:** as part of this course, we would expect each attendee to receive a training pack, complete with all the reference material that they require to cover the topics discussed on the course. Attendees would be able to refer back to this material after the course has finished.

#### Contract Management Requirements

We will work directly with the supplier awarded the contract to agree on course dates for each iteration of the course that is run. As noted above, ORR would manage the attendee list for each iteration of the course.

### 2.4 Project Timescales

We anticipate the first iteration of the course will be run in the first quarter of 2025 (completed by 31/03/25) with an initial start-up meeting soon after the contract is awarded in early 2025.

### 2.5 Budget and Payment Schedule

The budget for each iteration of the course is £5,200, i.e. a maximum of £31,200 for the full contract duration (including expenses, but excluding VAT).

Payment for each training course will be on the completion of the course and acceptance by ORR of all required outputs.

### 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.

#### 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.

## Tender Response and 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 the above Section 2 “Statement of Requirement”. The following information should be included:

* 1. **Understanding and approach to customer's requirements**

Demonstrate an understanding of the requirement and overall aims of the training.

Provide an explanation of the proposed training course content and approach to delivering the training.

What support bidders will require from ORR.

* 1. **Proposed delivery team**

Key personnel including details of how their key skills, experience and qualifications align to the delivery of the project.

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.

* 1. **Pricing**

A fixed fee for the project inclusive of all expense.

* 1. **Conflicts of Interest**

Confirm whether you have any potential, actual or perceived conflicts of interest that may by 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 (20%)

The proposal should set out how you will ensure that the course covers all the essential requirements set out in Section 2.2 and any other areas you consider appropriate to fulfil the aims of the course.

#### Delivery (30%)

The proposal should set out how you intend to run the course to ensure that attendees get the maximum benefit from the learning experience, including how you intend to reflect the requirements as set out in Section 2.3.

#### Experience (30%)

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

* 1. Provide CVs of the consultants who will be delivering the project.
  2. Highlight the organisation’s relevant experience for this project, submitting examples of similar training courses.

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

A **fixed fee** for the preparation and delivery of each training course (inclusive of all expenses).

#### Marking scheme

Methodology, Delivery and Experience shall be scored using the following:

|  |  |  |
| --- | --- | --- |
| **Table of Evaluation Methodology and Marking Scheme for Quality Criteria** | | |
| **Score** | **Category** | **Definition (Explanation)** |
| 0 | Unacceptable | Unanswered or totally inadequate response to the requirement. Complete failure to understand/reflect the core issues. Fails to demonstrate an ability to meet the requirement. |
| 1 | Poor | Minimal or poor response to meeting the requirement, with little or no relevance. Limited understanding misses some aspects.  The response addresses few elements of the requirement and contains insufficient/limited detail or explanation to demonstrate how the requirement will be fulfilled. |
| 2 | Fair | Response is mostly relevant, but elements of the response are poor. The response addresses most elements of the requirement but contains limited detail or explanation to demonstrate how some of the requirement will be fulfilled. |
| 3 | Acceptable | Response is relevant and acceptable. The response addresses a broad understanding of the requirement but lacks details on how the requirement will be fulfilled in certain areas. |
| 4 | Good | Response is relevant and good. The response is sufficiently comprehensive to assure and demonstrate a good understanding, also providing much detail on how the requirements will be fulfilled. |
| 5 | Excellent | Excellent response fully addressing the requirement and providing significant additional evidence of how the criterion has been met and how value would be added  The response is comprehensive, unambiguous and demonstrates a thorough understanding of the requirement and provides details of how the requirement will be met in full. |

For the Price evaluation the following shall apply:

* + - * + Fixed fee
        + The lowest fixed fee will be awarded the maximum price score of 100.
        + All other bidders will get a price score relative to the lowest fee tendered.
        + The calculation we will use to calculate your score is as follows:

Price Score = Lowest Total Fee x 100

Bidder’s Total Fee

Your score will then be multiplied by the weighting we have applied to this aspect of the price evaluation to provide a weighted score for the fee.

## Procurement Procedures

### Tendering Timetable

The timescales for the procurement process are as follows:

| Element | Timescale |
| --- | --- |
| Invitation to tender issued | 28 November 2024 |
| Deadline for the submission of clarification questions | Midday 09 December 2024 |
| Deadline for submission of proposals | Midday 16 December 2024 |
| Award contract | 30 December 2024 |
| Project Inception Meeting | w/c 06 January 2025 |

### 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, Disclaimer and relevant security certificates 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

#### Accessibility Guidelines

As a public body we are legally required to comply with accessibility guidelines. Please ensure any commissioned report is in a format that meets web accessibility regulations: [Guidelines for writing accessible reports for ORR - Guidance for external suppliers | Office of Rail and Road.](https://www.orr.gov.uk/media/23638)

#### 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.

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.

**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:**

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

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 |
| --- | --- | --- |
|  |  |  |
|  |  |  |
|  |  |  |



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