

**INVITATION TO TENDER**

**&**

**STATEMENT OF REQUIREMENT**

**Board effectiveness review 2019**

**CPV Code: 79313000**

**Supplementary Code: 79410000**

**Tender Reference: ORR/CT/19-43**

**Purpose of document**

The purpose of this document is to invite proposals for the **Board effectiveness review 2019** 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. Drive for 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. Support a better service for customers:**
Use our powers to hold the industry to account for performance and standards of service across the railway network, for passengers and freight. Promote on-going improvement in the experience of passengers by encouraging the industry to work together, including to provide greater transparency of information.

**3. Secure value for money from the railway, for users and funders:**
Strengthen incentives for the whole industry, including through competition and contestability in the supply chain, to drive greater efficiency from the use and maintenance of existing railway capacity and more cost-effective investment in the network.

**4. Secure improved performance and value for money from the strategic road network:**
Secure improved performance, including efficiency, safety and sustainability, from the strategic road network, for the benefit of road users and the public, through proportionate, risk-based monitoring, increased transparency, enforcement and robust advice on future performance requirements.

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:

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| --- | --- | --- | --- | --- |
| **Enterprise Category** | **Headcount** | **Turnover**  | **Or** | **Balance Sheet Total** |
| **Micro** | **<10** | **≤ € 2 million** | **≤ € 2 million** |
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| **Small** | **<50** | **≤ € 10 million** | **≤ € 10 million** |
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| **Medium** | **<250** | **≤ € 50 million** | **≤ € 43 million** |
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| **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.**2. Statement of Requirement**

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| **2.1 Background to the project** |
| ORR is a public body, created by statute and with a wide range of statutory functions and responsibilities which it describes broadly as “ORR protects the interests of rail and road users, improving the safety, value and performance of railways and roads today and in the future”. The statute sets out arrangements for ORR’s constitution, staffing, proceedings, money and conflicts of interest and requires that ORR sets and publishes its own [board procedures](https://orr.gov.uk/__data/assets/pdf_file/0013/2902/board_rules_of_procedures.pdf). ORR describes itself as ‘independent, evidence-based and trusted’.ORR’s legal status is unusual as a non-Ministerial department accountable to Parliament.ORR is staffed by civil servants and its board members are appointed by the Secretary of State for Transport. Once appointed board members cannot be removed except for misconduct.The last **external** review of the effectiveness of ORR’s board was in 2012, with comprehensive internal reviews carried out every other year to 2016 when the board procedures and committee terms of reference were overhauled. In 2018 an internal audit gave substantial assurance that the board procedures were being followed. Best practice in both commercial boards and in public boards is to reflect on board effectiveness every year. This review will re-establish the pattern of regular formal and internal reviews.In 2018 Government commissioned Keith Williams to undertake a [review](https://www.gov.uk/government/collections/the-williams-rail-review) of the rail industry. This review is ongoing and will make recommendations around the end of 2019. The ORR board wants to be confident that it is well equipped to respond to the challenges and opportunities that industry re-organisation will bring. |
| **2.2 Project Objectives & Scope** |
| The purpose of this project is to:* to assist the ORR board in improving its effectiveness by reviewing the board’s current structures and processes, behaviours and decision making; and
* to advise on improvements to support the board in securing long term sustainable success for ORR.

We are seeking an external partner to carry out a review of the ORR Board’s effectiveness to explore: * Relationships between the board and executive and the division of responsibilities between them;
* Organisational culture and its contribution to success;
* Board administration including meeting planning and delivery, developing agendas, setting priorities, planning content and levels of assurance available;
* Sources of advice and assurance for the board (including advisory panels and committees);
* Board make up – skills, experience and qualities present and missing, scope for board development; and
* Stakeholder relationships, networks and influencing.

And to make recommendations for enabling the board to become more:* Active and dynamic;
* Informed and up to date;
* Self aware and aware of the organisation’s mood, strengths and weaknesses; and
* Confident in setting strategic direction and articulating vision.

**Scope** ORR’s board wishes to commission a board effectiveness review drawing on relevant best practice from both the Financial Reporting Council (FRC) (for companies) and the National Audit Office (NAO) (for public bodies).The FRC guidance on effectiveness reviews for companies includes sections on: * Board leadership and company purpose
* Division of responsibilities
* Composition, succession and evaluation
* Audit, risk and internal control
* Remuneration

The NAO guidance for public boards to reflect on their effectiveness under the headings:* Objectives, strategy and remit
* Performance measurement
* Relationship with key stakeholders
* Propriety, fraud and other leakage
* Delivery chain and project management
* Risk management
* The audit committee, internal audit and corporate reporting
* The boardroom
* Reflections

We expect the reviewer to consider how best to blend these complementary approaches to support the board’s efforts to improve its readiness to respond to environmental and political challenges that are likely to arise.**What is excluded from the scope of the project**ORR has recently undertaken a major review of its risk management and is about to carry out a review of its staff reward strategy. It has also commissioned work to identify key influencers and review its stakeholder map. These areas are therefore excluded from this review. |
| **2.3 Project Outputs, Deliverables and Contract Management**  |
| **Project outputs**The reviewer: * should generate a report with findings, conclusions and recommendations for change;
* should present the results and facilitate a workshop with the board and following this develop an action plan for implementation; and
* set out any proposal for how they would support implementation over the following 12 months. [A decision on whether to invest further funds to support implementation will be dependent on budget availability and be subject to a contract extension.]

**Deliverables*** Draft report for comment, including a meeting to discuss the draft findings with the board secretary and ORR Chair ahead of finalisation;
* Final report which incorporates amendments arising from ORR’s comments on the draft; and
* Presentation of the findings and recommendations and facilitation of a workshop with the ORR board

As part of the approach to the review, the reviewer is likely to need to interview board members, directors and a selection of senior managers who attend or are required to implement board decisions. Other staff will be available as necessary. The reviewer should also plan to interview a number of key external stakeholders, and will have confidential access to the detail of the ORR’s stakeholder survey results. (We will discuss with the successful bidder the extent to which we would expect to see the evidence base set out in the report or separately.)**Contract Management Requirements**The key relationship will be between the reviewer and the ORR Chair, supported by ORR’s board secretary and private office team. We will agree arrangements for keeping us informed of progress at the inception meeting, but we broadly envisage this being a fortnightly call with the board secretary and monthly written updates.  |
| **2.4 Project Timescales** |
| The provisional project timetable is as follows:* Start-up meeting 04 November 2019 (or as otherwise agreed), with fieldwork commencing within a week of this;
* Fortnightly oral and monthly written updates on progress and any issues;
* Submission of draft report on 13 January 2020, with a meeting to discuss this within 14 days;
* Final report by 10 February 2020;
* Presentation and workshop with the ORR board in late February 2020 (or as otherwise agreed);
* Action plan to be delivered within 14 days of workshop, and
* All recommendations to be in hand by 1 April 2020 (the start of the next reporting year).
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| **2.5 Budget and Payment Schedule** |
| Payment of the total fee will be on the delivery and acceptance by ORR of all required outputs and/or 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 2 (“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
* Demonstrate that the bidder understands the context in which ORR operates.

**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; and
* 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 work on similar reviews that bidders have carried out and case studies of how implementation has been supported in other client organisations

**d) Pricing**A fixed fee for the project inclusive of all expense. This should includea breakdown of the personnel who will be involved with the project, along with associated charge rates and anticipated time inputs (and the basis on which these are calculated) that can be reconciled to the fixed fee. |
| **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 how the approach will deliver the outcomes as described in section 2.2. As part of this, it should: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 (the board secretary) to ensure that the requirement is met; and1. explain how your organisation will engage with internal and external stakeholders.

**Delivery (30%)**The proposal should set out how and when the project requirement will be delivered. In particular, it must:a) provide examples of previous experience carrying out similar reviews;b) demonstrate a sufficient understanding of the context in which ORR operates;c) provide case studies of how implementation has been supported in other client organisations;d) 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; ande) explain the resources that will be allocated to delivering the required outcomes/output.**Experience (10%)**The proposal should set out any experience relevant to the project requirement. In particular, it must:a) provide CVs of the individuals who will be delivering the project; b) highlight the organisation’s relevant experience for this project, submitting examples of similar reviews completed in both the private and public sector.**Cost / Value for money (30%)**A **fixed fee** for delivery of the project requirement (inclusive of all expenses), including a full price breakdown for each stage of the project (including the basis on which this is proposed – e.g. internal and external interviews, research, report writing, meeting with the board) and details of the day rates that will apply for the lifetime of this project.

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| Name of consultant | Grade | Role  | Day rate | Number of days | Total cost (ex VAT) |
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Please note that consultancy grades should align with the following definitions:

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| **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, 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, 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**

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| 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 |

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**4. Procurement procedures**

Tendering Timetable

The timescales for the procurement process are as follows:

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| **Element** | **Timescale** |
| Invitation to tender issued | 26 September 2019 |
| Deadline for the submission of clarification questions | 10 October 2019 10:00 |
| Deadline for submission of proposals | 17 October 2019 10:00 |
| Interviews (to be confirmed if required)\* | 25 October 2019 |
| Award contract | 31 October 2019 |
| Project Inception Meeting | w/c 04 November 2019 |

\*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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