**Request for Quotation**

Review of Natural Capital Reporting

25 October 2024

|  |  |
| --- | --- |
| Section 1: General Information | **2** |
| Section 2: The Invitation | **9** |
| Background  1. Customer  2. Natural capital reporting workstream | **9** |
| Description & objectives of this work | **13** |
| Specified technical outputs | **17** |
| Methods | **17** |
| Timescales, milestones and management | **18** |
| The Contractor | **18** |
| Payment | **19** |
| Evaluation Methodology | **20** |
| Information to be returned | **24** |
| Award | **24** |
| Annex 1 Mandatory Requirements | **25** |
| Annex 2 Acceptance of Terms and Conditions | **29** |
| Annex 3 Commercial Response Template | **30** |

Request for Quotation

Review of Natural Capital Reporting

You are invited to submit a quotation for the requirement described in the specification, Section 2.

Please confirm by email, receipt of these documents and whether you intend to submit a quote or not.

Your response should be returned to the following email address by:

Email: ruth.hughes@environment-agency.gov.uk

Date: 25/10/2024

Time: 23:59 on Thursday 14 November 2024

Ensure you include the name of the quotation and ‘Final Submission’ in the subject field to make it clear that it is your response.

Contact Details and Timetable

Ruth Hughes ([ruth.hughes@environment-agency.gov.uk](mailto:ruth.hughes@environment-agency.gov.uk)) will be your contact for any questions linked to the content of the quote or the process. Please submit any clarification questions via email and note that, unless commercially sensitive, both the question and the response will be circulated to all tenderers.

|  |  |
| --- | --- |
| Action | Date |
| Date of issue of RFQ | **25-Oct-2024 at ??:??** |
| Deadline for clarifications questions | 23:59 on **07-Nov-2024** |
| Deadline for receipt of Quotation | 23:59 on 14-Nov-2024 |
| Intended date of Contract Award | 28-Nov-2024 |
| Intended Contract Start Date | 02-Dec-2024 or ASAP after Award |
| Intended Delivery Date / Contract Duration | 15-March-2024 |

Section 1: General Information

Glossary

Unless the context otherwise requires, the following words and expressions used within this Request for Quotation shall have the following meanings (to be interpreted in the singular or plural as the context requires):

|  |  |
| --- | --- |
|  |  |
| “Authority” | means Environment Agency who is the Contracting Authority. |
| “Contract” | means the contract to be entered into by the Authority and the successful supplier. |
| “Response” | means the information submitted by a supplier in response to the RFQ. |
| “RFQ” | means this Request for Quotation and all related documents published by the Authority and made available to suppliers. |

Conditions applying to the RFQ

You should examine your Response and related documents ensuring it is complete and in accordance with the stated instructions prior to submission.

Your Response must contain sufficient information to enable the Authority to evaluate it fairly and effectively. You should ensure that you have prepared your Response fully and accurately and that prices quoted are arithmetically correct for the units stated.

By submitting a Response, you, the supplier, are deemed to accept the terms and conditions provided in the RFQ. Confirmation of this is required in Annex 2.

Failure to comply with the instructions set out in the RFQ may result in the supplier’s exclusion from this quotation process.

Acceptance of Quotations

By issuing this RFQ the Authority does not bind itself to accept any quotation and reserves the right not to award a contract to any supplier who submits a quotation.

Costs

The Authority will not reimburse you for any costs and expenses which you incur preparing and submitting your quotation, even if the Authority amends or terminates the procurement process.

Self-Declaration and Mandatory Requirements

The RFQ includes a self-declaration response (Annex 1) which covers basic information about the supplier, as well as any grounds for exclusion. If you do not comply with them, your quotation will not be evaluated.

Any mandatory requirements will be set out in Section 2, Specification of Requirements and, if you do not comply with them, your quotation will not be evaluated.

Clarifications

Any request for clarification regarding the RFQ and supporting documentation must be submitted via email no later than the deadline for clarifications set out in the Timetable. The Authority shall be under no obligation to respond to queries raised after the clarification deadline.

The Authority will respond to all reasonable clarifications as soon as possible but cannot guarantee a minimum response time. The Authority will publish all clarifications and its responses to all suppliers via email unless deemed commercially sensitive.

If a supplier believes that a request for clarification is commercially sensitive, it should clearly state this when submitting the clarification request. However, if the Authority considers either that:

* the clarification and response are not commercially sensitive; and
* all suppliers may benefit from its disclosure,

then the Authority will notify the supplier (via email), and the supplier will have an opportunity to withdraw the request for clarification by sending a further message requesting the withdrawal of the clarification request. If not withdrawn by the supplier within 2 working days of the Authority’s notification, the Authority may publish the clarification request and its response to all suppliers and the Authority shall not be liable to the supplier for any consequences of such publication.

The Authority reserves the right to seek clarification of any aspect of a quotation and/or provide additional information during the evaluation phase to carry out a fair evaluation. Where the Authority seeks clarification on any aspect of the quotation, the supplier must respond within the timeframe requested by the Authority.

Amendments

The Authority may amend the RFQ at any time prior to the deadline for receipt. If it amends the RFQ the Authority will notify you via email.

Suppliers may modify their quotation prior to the deadline for Responses. No Responses may be modified after the deadline for Responses.

Suppliers may withdraw their quotations at any time by submitting a notice via the email to the named contact.

Conditions of Contract

The Authority’s Standard Good and Services Terms & Conditions (used for purchases under £50k) can be located on the [Environment Agency Website](https://www.gov.uk/government/organisations/environment-agency/about/procurement#conditions-of-contract) and will be applicable to any contract awarded as a result of this quotation process. The Authority will not accept any changes to these terms and conditions proposed by a supplier.

Suppliers should note that the quotation provided by the successful bidder will form part of the Contract.

Prices

Prices must be submitted in £ sterling, exclusive of VAT.

Disclosure

All Central Government Departments, their Executive Agencies and Non Departmental Public Bodies are subject to control and reporting within Government. In particular, they report to the Cabinet Office and HM Treasury for all expenditure. Further the Cabinet Office has a cross-Government role delivering overall Government policy on public procurement, including ensuring value for money and related aspects of good procurement practice. For these purposes, the Authority may disclose within Government any details contained in your quotation. The information will not be disclosed outside Government during the procurement.

In addition, the Authority is subject to the Freedom of Information Act 2000 and the Environmental Information Regulations 2004, which provide a public right of access to information held by public bodies. In accordance with these two statutes, the Authority may be required to disclose information contained in your quotation to any person who submits a request for information pursuant to those statutes.

Further to the Government’s transparency agenda, all UK Government organisations must advertise on Contract Finder in accordance with the following publication thresholds:

* Central Contracting Authority’s: £12,000
* Sub Central Contracting Authority’s and NHS Trusts: £30,000

For the purpose of this RFQ the Authority is classified as a Sub Central Contracting Authority with a publication threshold of £30,000 inclusive of VAT.

If this opportunity is advertised via Contracts Finder, we are obliged to publish details of the awarded contract including who has won the contract, the contract value, and indicate whether the winning supplier is a small and medium-sized enterprise (“SMEs”) or voluntary organisation or charity. A copy of the contract must also be published with confidential information redacted.

By submitting a Response, you consent to these terms as part of the procurement.

Disclaimers

Whilst the information in this RFQ and any supporting information referred to herein or provided to you by the Authority have been prepared in good faith the Authority does not warrant that this information is comprehensive or that it has been independently verified.

The Authority does not:

* make any representation or warranty (express or implied) as to the accuracy, reasonableness or completeness of the RFQ;
* accept any liability for the information contained in the RFQ or for the fairness, accuracy or completeness of that information; or
* accept any liability for any loss or damage (other than in respect of fraudulent misrepresentation or any other liability which cannot lawfully be excluded) arising as a result of reliance on such information or any subsequent communication.

Any supplier considering entering into contractual relationships with the Authority following receipt of the RFQ should make its own investigations and independent assessment of the Authority and its requirements for the goods and/or services and should seek its own professional financial and legal advice.

Information Security requirements

The Government Security Classification Policy (GSCP) sets out the administrative system used by HM Government (HMG) to protect information and data assets appropriately against prevalent threats through the use of ‘classification tiers’. HMG uses three classification tiers; OFFICIAL, SECRET and TOP SECRET. Each tier provides a set of recommended baseline behaviours and a set of protective controls, which are proportionate to the threat profile for that tier AND the potential impact of a compromise, accidental loss or incorrect disclosure of information held within that tier.

Tenderers and suppliers must ensure that appropriate protective security controls are in place to comply with the GSCP and manage the information shared and received as part of this tender exercise.

A full suite of guidance documents is available on GOV.UK, with specific guidance for tenderers and suppliers set out in [Guidance 1.6 - Contractors and Contracting Authorities.docx (publishing.service.gov.uk)](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1166155/Guidance_1.6_-_Contractors_and_Contracting_Authorities.pdf).

Use of Artificial Intelligence

The Authority expects suppliers to declare where they have used AI software in the creation of Tender responses or intend to use AI software in the performance of the contract. How any AI software was, or will be, used should be to be declared within the technical submission part of the tender. We may require you to answer specific question/s on this topic, particularly where the Authority expects that usage is highly likely or clearly relates to the contract requirements.

Suppliers must follow any guidelines or regulations related to AI use and declarations as indicated in the [PPN 2/24 Improving Transparency of AI use in Procurement](https://www.gov.uk/government/publications/ppn-0224-improving-transparency-of-ai-use-in-procurement/ppn-0224-improving-transparency-of-ai-use-in-procurement-html).

Any information, instructions, or data provided by the Authority to suppliers as part of this tender, the requirements, or contract should not be directly inserted into Generative AI software (such as Gemini, ChatGPT, or CoPilot) without prior permission, unless this information is clearly published in the public domain.

Use of any Authority confidential tender information for training AI software is prohibited. it is advised that Defra’s data or instructions, or anything marked as confidential should not be directly inserted into AIs. For example, putting Authority’s instruction email into Gemini, ChatGPT, or CoPilot is not recommended.

If you intend to use AI to provide goods or services to the Authority, then you are required to complete a declaration which is simply answering the question stated within the 'Information to be returned’. The answer to this question will not be used in scoring your quote.

Protection of Personal Data

In order to comply with the General Data Protection Regulations 2018 the supplier must agree to the following:

You must only process any personal data in strict accordance with instructions from the Authority.

* You must ensure that all the personal data that we disclose to you or you collect on our behalf under this agreement are kept confidential.
* You must take reasonable steps to ensure the reliability of employees who have access to personal data.
* Only employees who may be required to assist in meeting the obligations under this agreement may have access to the personal data.
* Any disclosure of personal data must be made in confidence and extend only so far as that which is specifically necessary for the purposes of this agreement.
* You must ensure that there are appropriate security measures in place to safeguard against any unauthorised access or unlawful processing or accidental loss, destruction or damage or disclosure of the personal data.
* On termination of this agreement, for whatever reason, the personal data must be returned to us promptly and safely, together with all copies in your possession or control.

General Data Protection Regulations 2018

For the purposes of the Regulations the Authority is the data processor.

The personal information that we have asked you provide on individuals (data subjects) that will be working for you on this contract will be used in compiling the tender list and in assessing your offer. If you are unsuccessful the information will be held and destroyed within two years of the award of contracts. If you are awarded a contract it will be retained for the duration of the contract and destroyed within seven years of the contract’s expiry.

We may monitor the performance of the individuals during the execution of the contract, and the results of our monitoring, together with the information that you have provided, will be used in determining what work is allocated under the contract, and in any renewal of the contract or in the award of future contracts of a similar nature. The information will not be disclosed to anyone outside the Authority without the consent of the data subject, unless the Authority is required by law to make such disclosures.

Equality, Diversity & Inclusion (EDI)

The Client is striving to create a diverse and inclusive working environment where every individual has equality of opportunity to progress and to apply their unique insights to making the UK a great place for living. The Service Provider is expected to respect this commitment in all dealings with Environment Agency staff and service users.

Suppliers are expected to;

* support Defra group to achieve its Public Sector Equality Duty as defined by the Equality Act 2010, and to support delivery of [Defra group’s Equality & Diversity Strategy](https://www.gov.uk/government/publications/defra-group-equality-diversity-and-inclusion-strategy-2020-to-2024/defra-group-equality-diversity-and-inclusion-strategy-2020-to-2024).
* meet the standards set out in the [Government’s Supplier Code of Conduct](https://www.gov.uk/government/publications/supplier-code-of-conduct)
* work with Defra group to ensure equality, diversity and inclusion impacts are addressed (positive and negative) in the goods, services and works we procure, barriers are removed and opportunities realised.

Sustainable Procurement

Addressing global sustainability impacts and realising additional community benefits within commercial activity is core to Defra group’s approach, working with its supply chain is key to achieving sustainable outcomes. In addition to supporting Defra group to meet its outcomes we look to understand and reduce negative sustainability impacts associated with our commercial activity and realise benefits.

The Client encourages its suppliers to share these values, work to address negative impacts and realise opportunities, measure performance and success.

Suppliers are expected to have an understanding of the Sustainable Development Goals, the interconnections between them and the relevance to the Goods, Services and works procured on the Client’s behalf

Conflicts of Interest

The concept of a conflict of interest includes but is not limited to any situation where an Involved Person or Relevant Body has directly or indirectly, a financial, economic or other personal interest which might be perceived to compromise their impartiality and independence in the context of the procurement procedure and/or affect the integrity of the contract award.

We expect suppliers to mitigate appropriately against any real or perceived conflict of interest through their work with government. A supplier with a position of influence gained through a contract should not use that position to unfairly disadvantage any other supplier or reduce the potential for future competition

Where the supplier is aware of any circumstances giving rise to a conflict of interest or has any indication that a conflict of interest exists or may arise you should inform the Authority of this as soon as possible (whether before or after they have submitted a quotation). Tenderers should remain alert to the possibility of conflicts of interest arising at all stages of the procurement and should update the Authority if any new circumstances or information arises, or there are any changes to information already provided to the Authority. Failure to do so, and/or to properly manage any conflicts of interest may result in a quotation being rejected.

Provided that it has been carried out in an open, fair and transparent manner, routine pre-market engagement carried out by the Authority should not represent a conflict of interest for the supplier.

Section 2: The Invitation

Specification of Requirements

# Background

## Customer

The customer is the [Environment Agency (EA)](https://www.gov.uk/government/publications/environment-agency-business-plans/environment-agency-business-plan-2024-to-2025), the EA is a non-departmental public body sponsored by Defra with a remit that primarily covers England. The EA is tasked with:

* protecting and enhancing the environment as a whole
* contributing towards sustainable development

This means the EA works to protect and improve the quality and supply of water, to mitigate the impacts of a changing climate on people and wildlife, and to ensure our natural environment remains capable of providing the wide range of services and benefits we all depend upon.

**The EA Natural Capital Team** are commissioning the work. The Team is part of the Chief Scientist’s Group within the Environment and Business (E&B) directorate of the EA. The Natural Capital Team’s top three priorities are:

* Developing natural capital evidence and tools
* Trialling and evaluating natural capital approaches
* Developing capability in the business

The Natural Capital Team aims to enable others to adopt a natural capital approach in their work. This in turns means that the environment, and the benefits it provides the economy and society, can be explicitly considered in business cases, strategic decision making, and implementation of measures for land and water management.

The present work is being conducted as part of the EA’s input to the [Natural Capital Ecosystem Assessment Programme (NCEA)](https://www.gov.uk/government/publications/natural-capital-and-ecosystem-assessment-programme/natural-capital-and-ecosystem-assessment-programme), which has been set up to collect data on the extent, condition and change over time of England’s ecosystems and natural capital, and the benefits to society. Through the NCEA programme the natural capital team are developing natural capital indicators which will allow us to monitor and assess the flow of ecosystem services and benefits from freshwater environments. This project will explore the potential to embed natural capital into our reporting systems.

## Natural capital reporting workstream

This piece of work is related to a new workstream in the Environment Agency Natural Capital Team which is exploring the potential to **use natural capital in reporting to help us achieve our goals for environmental improvement.**

**The workstream will focus on the water environment including rivers, streams, lakes, ponds, groundwater, coasts & estuaries (*excluding marine*).**

Over the next few years, the Natural Capital Reporting Workstream will

1. **Develop complementary approaches** to reporting state of the freshwater environment by providing an additional focus on socio-economic outcomes of changes in the environment using a natural capital framing of ecosystem services and benefits.
2. **Explore the potential to use natural capital in reporting systems,** and its potential to demonstrate progress towards and incentivise delivery of environmental improvements.
3. **Develop and trial experimental** natural capital reporting with customers and evaluate its impact.

**What do we mean by ‘natural capital reporting’?**

Natural capital provides a framework to understand, measure and value the environment’s contribution to society, such as removing carbon dioxide and air pollutants, or providing us with clean water and places for recreation. It helps us understand dependencies on the environment and socio-economic consequences should the state of the environment change.

However, we do not routinely measure, report on or use this information in how we report on the environment. Instead, the end point of environmental reporting is almost exclusively measures of the state of the environment, (e.g., percentage of rivers at good ecological status, number of pollution incidents, km of river enhanced). See Figure 1. So, although we can describe the environment in terms of its condition and often the pressures acting on it (e.g. pollution, water abstraction), we can say relatively little about the outcomes of environmental change - what we lose if the environment deteriorates or the socio-economic benefits we gain if we invest in environmental improvements.

Whilst measuring/reporting on the state of the environment will (and should) always be our focus, this workstream will explore how to complement traditional ways of reporting on the state of the water environment with ‘natural capital’ that reflect why the environment is important for economy/society, using a natural capital framing of ecosystem services and benefits.

A diagram of water quality control

Description automatically generated

Figure 1: Environmental reporting generally focusses on inputs, outputs and outcomes to the environment, but not the impacts and benefits to people. One of the exceptions is for our work related to reducing flood risk.

Natural capital reporting could include measures of

* the state of the environment in terms of its ability to deliver a flow of **ecosystem services** (e.g. connectivity of river to floodplain)
* the **benefits** gained by society, who benefits (e.g. recreation opportunities or improvements to physical health of people using a footpath created as part of a river restoration scheme), the **value** of those benefits (e.g. avoided health costs).
* the **risks** to flows of ecosystem services caused by changes in the environment and the consequences for the economy and society (e.g. increased costs for water treatment caused by nutrient pollution).

**Where could we use natural capital in reporting, and why?**

The rationale for this workstream comes from recognition that reporting systemsare powerful levers to focus attention and incentivise action.

The workstream will explore how by complementing how we describe the state of the water environment with natural capital (in terms of ecosystem services and benefits), we could:

1. **demonstrate and** **better communicate the socio-economic consequences** (benefits/disbenefits) of changes in the environment to leverage support and attract funding for improvements to water environment (green finance)
2. **demonstrate progress towards policy goals** that ‘traditional’ indicators cannot. E.g. WFD Classifications (Figure 2)?
3. **in**c**entivise different ways of doing things.** E.g. by measuring the ability of an environment to deliver flood protection could we incentive the use of nature-based solutions, over grey (Figure 3)?
4. **demonstrate co-benefits and trade-offs associated with environmental improvement** and how our work contributes to other policy commitmentswith the aim of promoting integrated, systems-based approaches and and optimising policy and management of the environment[[1]](#footnote-2).
5. **assess sustainability,** by combining environmental and socio-economic information to balance demand/pressures with the environment.

The workstream will explore the potential of using natural capital in a range of reporting systems, for example in

* reporting against policy goals, e.g. Defra Outcome Indicator Framework[[2]](#footnote-3),
* demonstrating organisational performance[[3]](#footnote-4),
* improving performance of sectors we regulate, (e.g. incentivising use of nature-based solutions)[[4]](#footnote-5).

A diagram of a physical model

Description automatically generated

Figure 2: Putting traditional water indicators into a natural capital context

A diagram of a health care system

Description automatically generated with medium confidence

Figure 3: By measuring those aspects of the environment that are closely related to the ability of the environment to delivery ecosystem services, could we incentivise use of nature-based solutions?

## **Description and objectives of this work**

This piece of work is to undertake a **review of how natural capital framing is being used in environmental reporting.** It is a foundation activity that will support the Environment Agency’s exploration of how to apply natural capital in reporting. A broad review is envisaged that can be used as evidence in focussing future work. As such, *we welcome input from the contractor as to scope and guidance on the coverage and methods that would provide the Environment Agency with the most appropriate information to inform the work.*

The project will focus on the water environment including rivers, streams, lakes, ponds, groundwater, coasts & estuaries (excluding marine).

**Objectives**

The aim is to understand how natural capital reporting could help us achieve our goals for environmental improvement.

**The objectives are to:**

1. **Review how natural capital has been applied in environmental reporting across a range of scales and actors – focus on the water environment.**
2. **Identify opportunities where the Environment Agency can apply similar approaches to** **achieve our goals to improve the water environment.**

**Scope /Description**

This project seeks expert evidence review, analysis and recommendations related to the objectives.

**Objective 1: Review how natural capital has been applied in environmental reporting across a range of scales and actors – focus on the water environment.**

*Questions: How has natural capital been used in reporting*: what is being done, who is doing it, for what purpose, what’s worked?

A range of approaches to reporting the state and trends of natural capital have been developed for use at different scales for different purposes. At a national scale, these include national ecosystem assessments[[5]](#footnote-6) and natural capital accounting[[6]](#footnote-7): both Scotland[[7]](#footnote-8) and Wales[[8]](#footnote-9). Natural England have used ‘natural capital indicators’[[9]](#footnote-10) to create a State of Natural Capital report[[10]](#footnote-11) to demonstrate how healthy ecosystems contribute to policy delivery across Government. At a corporate scale, there are various frameworks (including Capitals Coalition[[11]](#footnote-12) and Taskforce for Nature-Based Financial Disclosures (TNFD)[[12]](#footnote-13)) which provide ways to measure, report and disclose information on corporate dependencies and impacts on nature, to drive sustainability in business decisions and directing investments away from environmentally damaging practices and toward those that restore nature.

We are aware that natural capital assessments have been made for freshwater environments[[13]](#footnote-14). The UK water sector have explored a multi-capitals approach to reporting[[14]](#footnote-15),[[15]](#footnote-16),[[16]](#footnote-17). There are well developed methods for assessing the social benefits of good quality water environments[[17]](#footnote-18),[[18]](#footnote-19). This information is often used in planning and decision-making, such as in cost-benefit analysis to inform policy /regulation and investment. However, we are unclear the extent to which these are used in reporting.

The work should review how natural capital is being used in reporting across a range of scales by different actors, including but not limited to those in **Table 1**. It should identify where a natural capital framing is being used in environmental reporting, by whom, for what purpose, the approaches being used, and any evidence of their level of success.

The work should note patterns/trends across different scales and sectors (policy, private, third sector) in how natural capital is (and isn’t) being applied into reporting. We are interested in approaches taken in other countries with similar policy and regulatory approaches to the water environment.

A suggested list of information to be gathered about each example is in **Table 2** but we would welcome input from the contractor about what is most relevant and appropriate.

**Table 1:** The contractor should look at range of scales and actors including but not limited to the following.

|  |  |
| --- | --- |
| Scale | Examples |
| Supranational | e.g. European Environment Agency, OECD |
| National | e.g. Scotland’s NC Asset Index, Welsh Government SoNAAR, ONS Natural Capital Accounts, UK NEA |
| Policy: reporting against policy goals | e.g. Defra 25YEP Outcome Indicator Framework[[19]](#footnote-20) |
| Third sector/ eNGOS | e.g. Rivers Trust: State of our rivers[[20]](#footnote-21);State of Nature |
| Corporate sectors | e.g. Water Sector, Taskforce for Nature-Based Financial Disclosures (TNFD) |
| Landscape or catchment scale reporting | OxCam, Defra Pioneers[[21]](#footnote-22), |

**Table 2:** For each example of natural capital reporting, we suggest the following information be supplied and analysed

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| |  |  | | --- | --- | | Information | Description | | Organisation & reporting framework/ mechanism | Who is reporting – what is the framework/mechanism | | Overview/short description | Brief description (in a sentence or two) of what is reported, by whom for what purpose | | Purpose and audience | What is the purpose of reporting and who is the intended audience. What are the intended outcomes, e.g. countries cataloguing the stocks of natural capital assets, regulators intended to drive change to sector, corporates assessing risks from nature loss etc. | | Drivers | e.g. legal requirements, ESG etc | | Mandatory/ voluntary |  | | Scale | Geographical scale and/or organisational scale | | Timescale | How regularly report produced | | Relevance to government environmental policy and priorities | e.g. EIP 2023 | | What are they reporting | Brief description of what is being measured and, e.g. qualitative or quantitative assessment of ecosystem services/benefits/monetary evaluation. | | Part/s of NC logic chain it measures: | A close-up of a sign  Description automatically generated | | Methods, guidance and standards | The review should include what methods used, plus references to published guidance and/or standards associated with the reporting frameworks. | | Evidence and data required | What data sources or tools, e.g. TNFD recommends ENCORE. Ideally, this could include a rough assessment of effort/complexity required to gather data and analysis required. | | Assessment of success (what’s worked?) | How well have they achieved the intended purpose (e.g. changing practices, generating data for use in decision-making and ultimately improving the environment. What has contributed to: success and failures? | | Barriers and limitations |  | | Analytics and visual representations | How information is analysed and displayed, e.g. PowerBI Dashboards | | References |  | |

**Objective 2: Identify opportunities where the Environment Agency can apply similar approaches to** **achieve our goals to improve the water environment.**

*Questions: How can Environment Agency use natural capital in reporting to incentivise environmental protection and improvement? Where (into what reporting systems), and how (what data/evidence required) could we complement/embed natural in reporting frameworks to improve the water environment?*

Based on the literature reviewed, the contractor should identify opportunities where the Environment Agency could implement natural capital in reporting to incentivise protection and improvement of the water environment. We are interested in learning what could be used at a range of different scales from national, regional scale to catchment/landscape for different purposes, including corporate reporting or reporting against policy targets. Each opportunity\* should include comparison with what’s currently reported, rationale for why natural capital would make a difference, brief description of data required and any ‘best practice’ gleaned from the review.

To illustrate this, the contractor should identify and develop a small number of examples demonstrating natural capital reporting that are most applicable/ relevant to the work of the Environment Agency.

\*Depending on the evidence/analysis uncovered in the project, discussions with Environment Agency teams, could inform and provide some focus areas for this objective. For example, we have an ongoing project looking at how to use a natural capital approach to support integrated catchment management from source to sea.

## **Specified technical outputs**

Contractor to produce

1. **Summary of natural capital use in reporting across a range of scales and actors**. The information should be displayed in a way that is easy and quick to assimilate and allows comparison between examples.
2. **Technical report** with
   1. Analysis of the extent, how and why natural capital is being incorporated into reporting, identifying patterns/trends across different sectors (policy, private, third sector) and scales.
   2. ‘Opportunities where Environment Agency can apply similar approaches to incentivise environmental protection and improvement.
   3. Short examples/case studies demonstrating the natural capital reporting in contexts relevant to the Environment Agency
   4. Overview of methodology and approach
   5. Full references to literature reviewed.
3. **PowerPoint presentation** with summary of findings – for communication to Environment Agency colleagues.

## **Methods**

The EA Natural Capital team are looking for an innovative contractor to adopt scientifically rigorous methodologies appropriate for producing the technical outputs detailed above. In addition to the technical outputs, the contractor will participate in preparing and presenting the outputs to EA colleagues.

The contractor should propose a methodology for review by Environment Agency.

We anticipate that the project will require:

* Searches of databases of scientific literature which should be carried out in line with good practice as defined by Defra’s guidance: ‘The Production of Quick Scoping Reviews and Rapid Evidence Assessments’ (2015 JWEG guide[[22]](#footnote-23)).
* Search of grey literature to identify and review of use of natural capital in reporting from a range of bodies, (building on Table 1) including the innovative approaches being explored by the water sector. (See refs: 14-16)
* Identification and review of reports by key advisory bodies who have commented on the use of natural capital in reporting, such as UNEP, Office for Environmental Protection, Natural Capital Committee, House of Commons/House of Lords Select Committees, UKWIR.

## **Timescales, milestones and management**

This project is expected to take 2-3 months, ending by 14 March 2025.

Once let, the following are the key project milestones. Provisional dates are included in the table, for discussion with successful contractor. In addition the contractor will be expected to engage in regular project meetings with EA staff to provide project updates throughout the duration of the award.

|  |  |  |
| --- | --- | --- |
| Milestone number | Milestone | Dates |
| MS1 | Project inception meeting | Dec 2024 |
| MS2 | Agreed scope and methodology and stakeholders | Jan 2025 |
| MS3 | Delivery of draft technical report | Feb 2025 |
| MS4 | Delivery of final technical report | 14 March 2025 |
| MS5 | Presentation of findings to Environment Agency | 31 March 2025 |

A steering group comprising members from the Chief Scientist Group, and selected individuals from internal teams will be set up to guide the project. Ruth Hughes will lead on this group and act as the primary point of contact.

## **The Contractor**

The EA Natural Capital team are looking to appoint a Contractor with the following skills and experience:

* a proven track record in delivering, reviewing natural capital research and analysis
* expert-level awareness of how natural capital is being used in policy and practice across public, private and third sector
* track record in relation to technical application of natural capital approaches
* be skilled in literature reviews, gathering reviewing and analysing relevant information
* able to demonstrate production of high quality, accessible, user-friendly outputs, including reports for non-academic audiences.

The contractor will be required to:

* Adopt a consistent, assured, approach to developing outputs capable of meeting the specified requirements and aligned with the EA’s approach to natural capital.
* Engage in regular project meetings with EA staff to provide project updates throughout the duration of the award.
* Deliver outputs, as detailed in the specification above.
* Obtain relevant ethical approvals for the project prior to any data collection and adhere to General Data Protection Regulations 2018.
* Participate in disseminating findings to EA audiences upon completion of the work.

Payment

The Authority will raise purchase orders to cover the cost of the services and will issue to the awarded supplier following contract award.

The Authority’s preference is for all invoices to be sent electronically, quoting a valid Purchase Order number. Invoices can be raised after project milestones and delivery of final report – see Table on page 18.

It is anticipated that this contract will be awarded to end no later than **31/March/2025**. Prices will remain fixed for the duration of the contract award period. We may at our sole discretion extend this contract to include related or further work. Any extension shall be agreed in writing in advance of any work commencing and may be subject to further competition.

**Evaluation methodology**

We will award this contract in line with the most economically advantageous tender (MEAT) as set out in the following award criteria.

Technical 70%

Commercial 30%

**Evaluation Criteria**

Evaluation weightings are 70% technical and 30% commercial, the winning tenderer will be the highest scoring combined score.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Evaluation Criteria | Weighting (%) | Evaluation Topic & Weighting | Sub-Criteria | Weighted Criteria |
| Technical (Quality) | 70% | Technical proposal  Do not exceed 6 sides of A4  + project plan (1 page)  + risk register (1 page)  Please use Arial font size 11. | Approach and methodology  (30% of technical score available) | 1: Provide details of your proposed methodology to include explanation of how chosen methods with deliver the requested outputs.  Your response should:  a) Demonstrate a clear understanding of the nature of the requirements.  b) Provide a practical and scientifically-sound methodology to deliver these requirements. |
| Project management  (30% of technical score available) | 2: Provide details on the proposed project delivery plan, including timelines.  Your response should:  a) Provide a clear project plan outlining tasks and key milestones  b) Explain how the project will be managed to ensure delivery on time and to specification. |
| Proposed staff  (30% of technical score available) | 3: Provide details of the experience, knowledge and skills of the proposed team and the team structure that you intend to use to deliver the project, including any related projects |
| Risk,  Health & Safety,  Sustainability  (10% of technical score available, split equally between Risk and Sustainability) | 4: Risk – provide a risk register (5% of technical score available)  Your response should:  a) include a register of risks with action to mitigate  5: Health & Safety – n/a – desk based work  6: Sustainability and social equity in conducting business - specific considerations (e.g. travel management, reduction of carbon footprint, bio-security, social value, modern slavery etc (5% of technical score available)  Your response should:  a) outline how the project will address sustainability and social equity considerations. |
| Commercial (Price) | 30% | Cost proposal | Cost proposal  (100% of commercial score available) | 7: Provide a cost proposal covering the total costs to deliver the project |

Technical (70%)

Technical evaluation is assessed using the evaluation topics and sub-criteria stated in the Evaluation Criteria section above.

Tenderers should provide answers that meet the criteria of each technical question.

Scores for questions will be based on the following:

|  |  |  |
| --- | --- | --- |
| Description | Score | Definition |
| Very good | 100 | Addresses all the Authority’s requirements with all the relevant supporting information set out in the RFQ. There are no weaknesses and therefore the tender response gives the Authority complete confidence that all the requirements will be met to a high standard. |
| Good | 70 | Addresses all the Authority’s requirements with all the relevant supporting information set out in the RFQ. The response contains minor weaknesses and therefore the tender response gives the Authority confidence that all the requirements will be met to a good standard. |
| Moderate | 50 | Addresses most of the requirements with most of the relevant supporting information set out in the RFQ. The response contains moderate weaknesses and therefore the tender response gives the Authority confidence that most of the requirements will be met to a suitable standard. |
| Weak | 20 | Substantially addresses the requirements but not all and provides supporting information that is of limited or no relevance or a methodology containing significant weaknesses and therefore raises concerns for the Authority that the requirements may not all be met. |
| Unacceptable | 0 | No response or provides a response that gives the Authority no confidence that the requirement will be met. |

Commercial (30%)

The Contract is to be awarded as a 'fixed price' which will be paid according to the completion of the deliverables stated in the Specification of Requirements.

Suppliers are required to submit a total cost to provide the deliverables stated in the Specification of Requirements. In addition to this the Commercial Response template must be completed to provide a breakdown of the whole life costs against objective/key personnel used in the delivery of this requirement.

**Calculation Method**

The method for calculating the weighted scores is as follows:

Commercial Score = (Lowest Quotation Price / Supplier’s Quotation Price ) x 30% (Maximum available marks)

Technical Score = (Bidder’s Total Technical Score / Highest Technical Score) x 70% (Maximum available marks)

The total score (weighted) (TWS) is then calculated by adding the total weighted commercial score (WC) to the total weighted technical score (WT): WC + WT = TWS.

Information to be returned

Please respond to each of the Weighted Criteria described in the table above.

Please respond with the following information:

* Technical Proposal (not exceeding 6 A4 pages)
* Project timetable (1 page)
* Risk register (1 page)
* Cost Proposal

Also, please note, the following information requested must be provided. Incomplete tender submissions may be discounted.

* complete AI question [ ''Do you use Artificial Intelligence (AI) or machine learning tools, including large language models within your quote submission or service delivery processes.?''] response which will not be scored, is to be returned within technical response
* completed Mandatory Requirements (Annex 1)
* completed Acceptance of Terms and Conditions (Annex 2)
* completed Commercial Response template (template supplied in Annex 3)

Award

Once the evaluation of the Response(s) is complete all suppliers will be notified of the outcome via email.

'The successful supplier will be issued the contract, incorporating their Response, for signature. The Authority will then counter sign'.

Annex 1 Mandatory Requirements

Part 1 Potential Supplier Information

Please answer the following self-declaration questions in full and include this Annex in your quotation response.

Part 1.1 Potential Supplier Information:

|  |  |  |
| --- | --- | --- |
| Question no. | Question | Response |
| 1.1(a) | Full name of the potential supplier submitting the information |  |
| 1.1(b) | Registered office address (if applicable) |  |
| 1.1(c) | Company registration number (if applicable) |  |
| 1.1(d) | Charity registration number (if applicable) |  |
| 1.1(e) | Head office DUNS number (if applicable) |  |
| 1.1(f) | Registered VAT number |  |
| 1.1(g) | Are you a Small, Medium or Micro Enterprise (SME)? | (Yes / No) |

Note: See EU definition of SME <https://ec.europa.eu/growth/smes/business-friendly-environment/sme-definition_en>

Part 1.2 Contact details and declaration

By submitting a quotation to this RFQ I declare that to the best of my knowledge the answers submitted and information contained in this document are correct and accurate.

I declare that, upon request and without delay you will provide the certificates or documentary evidence referred to in this document.

I understand that the information will be used in the selection process to assess my organisation’s suitability to be invited to participate further in this procurement.

I understand that the authority may reject this submission in its entirety if there is a failure to answer all the relevant questions fully, or if false/misleading information or content is provided in any section.

I am aware of the consequences of serious misrepresentation.

|  |  |  |
| --- | --- | --- |
| Question no. | Question | Response |
| 1.2(a) | Contact name |  |
| 1.2(b) | Name of organisation |  |
| 1.2(c) | Role in organisation |  |
| 1.2(d) | Phone number |  |
| 1.2(e) | E-mail address |  |
| 1.2(f) | Postal address |  |
| 1.2(g) | Signature (electronic is acceptable) |  |
| 1.2(h) | Date |  |

Part 2 Exclusion Grounds

Part 2.1 Grounds for mandatory exclusion

|  |  |  |
| --- | --- | --- |
| Question no. | Question | Response |
| 2.1(a) | Please indicate if, within the past five years you, your organisation or any other person who has powers of representation, decision or control in the organisation been convicted anywhere in the world of any of the offences within the summary below. | |
|  | Participation in a criminal organisation. | (Yes / No)  If yes please provide details at 2.1 (b) |
|  | Corruption. | ((Yes / No)  If yes please provide details at 2.1 (b) |
|  | Fraud. | (Yes / No)  If yes please provide details at 2.1 (b) |
|  | Terrorist offences or offences linked to terrorist activities | (Yes / No)  If yes please provide details at 2.1 (b) |
|  | Money laundering or terrorist financing | (Yes / No)  If yes please provide details at 2.1 (b) |
|  | Child labour and other forms of trafficking in human beings | (Yes / No)  If yes please provide details at 2.1 (b) |
| 2.1(b) | If you have answered yes to question 2.1(a), please provide further details.  Date of conviction, specify which of the grounds listed the conviction was for, and the reasons for conviction.  Identity of who has been convicted  If the relevant documentation is available electronically please provide the web address, issuing authority, precise reference of the documents. |  |
| 2.1 (c) | If you have answered Yes to any of the points above have measures been taken to demonstrate the reliability of the organisation despite the existence of a relevant ground for exclusion? (i.e. Self-Cleaning) | (Yes / No) |
| 2.1(d) | Has it been established, for your organisation by a judicial or administrative decision having final and binding effect in accordance with the legal provisions of any part of the United Kingdom or the legal provisions of the country in which the organisation is established (if outside the UK), that the organisation is in breach of obligations related to the payment of tax or social security contributions? | (Yes / No) |
| 2.1(e) | If you have answered yes to question 2.3(a), please provide further details. Please also confirm you have paid or have entered into a binding arrangement with a view to paying, the outstanding sum including where applicable any accrued interest and/or fines. |  |

Part 2.2 Grounds for discretionary exclusion

|  |  |  |
| --- | --- | --- |
| Question no. | Question | Response |
| 2.2(a) | The detailed grounds for discretionary exclusion of an organisation are set out on this [webpage](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/551130/List_of_Mandatory_and_Discretionary_Exclusions.pdf), which should be referred to before completing these questions.  Please indicate if, within the past three years, anywhere in the world any of the following situations have applied to you, your organisation or any other person who has powers of representation, decision or control in the organisation | |
| 2.2(b) | Breach of environmental obligations? | (Yes / No)  If yes please provide details at 2.2 (f) |
| 2.2(c) | Breach of social obligations? | (Yes / No)  If yes please provide details at 2.2 (f) |
| 2.2(d) | Breach of labour law obligations? | (Yes / No)  If yes please provide details at 2.2 (f) |
| 2.2(e) | Shown significant or persistent deficiencies in the performance of a substantive requirement under a prior public contract, a prior contract with a contracting entity, or a prior concession contract, which led to early termination of that prior contract, damages or other comparable sanctions? | (Yes / No)  If yes please provide details at 2.2 (f) |
| 2.2 (f) | If you have answered Yes to any of the above, explain what measures been taken to demonstrate the reliability of the organisation despite the existence of a relevant ground for exclusion? (Self Cleaning) |  |

Annex 2 Acceptance of Terms and Conditions

I/We accept in full the terms and conditions appended to this Request for Quote document.

Company \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Signature \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Print Name \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Position \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Annex 3 Commercial Response Template

Please complete Table 1, below, to show a breakdown of your cost per product or unit of time (i.e. ‘rates’) and the number of products or days / hours for each task, and total cost for each task required to deliver this requirement. You may insert additional task lines if required.

Please state the total overall cost for this requirement. Prices should exclude VAT.

Table 1: Commercial Response (to be completed by Supplier)

|  |  |  |  |
| --- | --- | --- | --- |
| Descriptions of Tasks and / or Products | Cost per product  / or Cost per Hour / Day (i.e. rate) | No of products / Hours / Days | Total Cost per Task |
|  |  |  | £ |
|  |  |  | £ |
|  |  |  | £ |
|  |  |  | £ |
|  |  |  | £ |
|  |  |  | £ |
|  |  |  | £ |
|  |  |  | £ |
|  |  |  | £ |
|  |  |  | £ |
| Total Costs | | | £ |
| Expenses or other costs (please detail type, e.g. travel, consumables | | | £ |
| Discounts applied (please detail) | | | £ |
| Total Overall Cost | | | £ |

1. Day et.al: Natural capital approaches for the optimal design of policies for nature recovery, *Phil. Trans. R. Soc. B***379**, 2024: <https://doi.org/10.1098/rstb.2022.0327> [↑](#footnote-ref-2)
2. [Outcome Indicator Framework for the 25 Year Environment Plan (defra.gov.uk)](https://oifdata.defra.gov.uk/) [↑](#footnote-ref-3)
3. Environment Agency corporate scorecards 2023 to 2024 - GOV.UK (www.gov.uk) [↑](#footnote-ref-4)
4. [Water Company Performance Report 2022-23 - Ofwat](https://www.ofwat.gov.uk/regulated-companies/company-obligations/outcomes/water-company-performance-report-2022-23/#:~:text=While%20many%20companies%20have%20made,in%20the%20period%20to%20date.) [↑](#footnote-ref-5)
5. UK National Ecosystem Assessment: [UK NEA (unep-wcmc.org)](http://uknea.unep-wcmc.org/Resources/tabid/82/Default.aspx) [↑](#footnote-ref-6)
6. ONS Natural Capital Accounts: [Natural Capital - Office for National Statistics (ons.gov.uk)](https://www.ons.gov.uk/economy/environmentalaccounts/methodologies/naturalcapital) [↑](#footnote-ref-7)
7. [Scotland's Natural Capital Asset Index | NatureScot](https://www.nature.scot/professional-advice/social-and-economic-benefits-nature/natural-capital/scotlands-natural-capital-asset-index) [↑](#footnote-ref-8)
8. [[Natural Resources Wales / State of Natural Resources Report (SoNaRR) for Wales 2020](https://naturalresources.wales/evidence-and-data/research-and-reports/state-of-natural-resources-report-sonarr-for-wales-2020/?lang=en)](https://publications.naturalengland.org.uk/publication/6742480364240896) [↑](#footnote-ref-9)
9. [Natural Capital Indicators: for defining and measuring change in natural capital - NERR076 (naturalengland.org.uk)](https://publications.naturalengland.org.uk/publication/6742480364240896) [↑](#footnote-ref-10)
10. <https://naturalengland.blog.gov.uk/2024/10/09/state-of-natural-capital-report-for-england-published-today/> [↑](#footnote-ref-11)
11. [Capitals Coalition – redefining value to transform decision making](https://capitalscoalition.org/) [↑](#footnote-ref-12)
12. [The Taskforce on Nature-related Financial Disclosures (tnfd.global)](https://tnfd.global/) [↑](#footnote-ref-13)
13. Farrell et.al: Applying the System of Environmental Economic Accounting-Ecosystem Accounting (SEEA-EA) framework at catchment scale to develop ecosystem extent and condition accounts, One Ecosystem 6: e65582. <https://doi.org/10.3897/oneeco.6.e65582> [↑](#footnote-ref-14)
14. [35\_-\_developing\_a\_natural\_capital\_assessment\_method\_for\_water\_company\_use.pdf (therrc.co.uk)](https://www.therrc.co.uk/sites/default/files/files/Conference/2018/Posters/35_-_developing_a_natural_capital_assessment_method_for_water_company_use.pdf) [↑](#footnote-ref-15)
15. [sustainability-report-2023.pdf (unitedutilities.com)](https://www.unitedutilities.com/globalassets/documents/pdf/sustainability-report-2023.pdf) [↑](#footnote-ref-16)
16. Yorkshire Water: Capitals-Based Incentives A contribution to the PR24 Future Ideas Lab, 2021, submission to OFWAT: Summarises the drivers and use of multi-capitals approach by water sector: <https://www.ofwat.gov.uk/wp-content/uploads/2021/07/Yorkshire-Water-submission-%E2%80%93-Capitals-based-incentives-Future-Ideas-Lab.pdf> [↑](#footnote-ref-17)
17. An amalgum of work funded by the US EPA, looking at assessing the social benefits from water environments: The Clean Water Act After 50 Years: Innovations in Measuring the Social Benefits of Water Quality for Research and Policy: [Table of Contents — May 2, 2023, 120 (18) | PNAS](https://www.pnas.org/toc/pnas/120/18) - [↑](#footnote-ref-18)
18. National Water Environment Benefit Survey Values: [NWEB-Briefing-Notes.pdf (thames21.org.uk)](https://www.thames21.org.uk/wp-content/uploads/2013/12/NWEB-Briefing-Notes.pdf) [↑](#footnote-ref-19)
19. [Outcome Indicator Framework for the 25 Year Environment Plan (defra.gov.uk)](https://oifdata.defra.gov.uk/) [↑](#footnote-ref-20)
20. [State of our Rivers Report 2024 | The Rivers Trust](https://theriverstrust.org/rivers-report-2024) [↑](#footnote-ref-21)
21. [Cumbria-Catchment-Pioneer-Pilot\_phases-1\_v2.compressed.pdf (ecosystemsknowledge.net)](https://ecosystemsknowledge.net/sites/default/files/wp-content/uploads/Cumbria-Catchment-Pioneer-Pilot_phases-1_v2.compressed.pdf) [↑](#footnote-ref-22)
22. [The production of quick scoping reviews and rapid evidence assessments - GOV.UK (www.gov.uk)](https://www.gov.uk/government/publications/the-production-of-quick-scoping-reviews-and-rapid-evidence-assessments) [↑](#footnote-ref-23)