**Clarification questions and answers**

**Q1 Please could you provide the budget for the Review of Natural Capital reporting tender?**

**Answer**: The budget range is £20-30k.

**Q2 The RFQ refers to developing "experimental natural capital reporting with customers". Please could you clarify who the customers are?**

**Answer:** The RFQ contains context about the wider 'Natural capital reporting workstream' as well as the specific 'Review of Natural capital reporting' project that is being commissioned. The stakeholder sits within the wider workstream. Over the next year or so, the wider workstream will, eventually, pilot/trial how we can complement how we report on the water environment with a natural capital lens (i.e. the ecosystem services and benefits we gain from the water environment). The customer engagement work sits within this wider workstream and involves conversations with Environment agency teams that lead on reporting, including our Environment Agency Annual Report & Accounts, as well as how we report against statutory requirements (e.g. Water Framework Directive 'classifications') and policy targets (e.g. Defra Outcome Indicator Framework which measures progress towards the Defra 25 Year Plan goals).

This contract is for one element of the wider workstream, it is to review how natural capital is currently used in reporting and using that insight to suggest opportunities/avenues of exploration that the EA should follow. It is a foundational piece of work to help us understand what's been done already and give us some pointers of what to do next. The two objectives for this piece of work are:

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

The work should review what is being done, who is doing it, for what purpose, what's worked. It should note patterns/trends across different scales (e.g. supra-national, national, local) and sectors (policy, private, third sector) in how natural capital is (and isn't) being applied into reporting. We are also interested in approaches taken in other countries with similar policy and regulatory approaches to the water environment.

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

Based on the literature reviewed, the contractor should identify opportunities where the Environment Agency could explore the use of natural capital in reporting to incentivise protection and improvement of the water environment.

**Q3 Are there specific technical questions that the proposal should be centred around?**

**Answer:** The technical proposal should demonstrate the points in the "Evaluation Criteria" table (p.23 of the RFQ), outlined in column headed weighted criteria.

**Q4: Topic: Budget: Clarification on budget range – is that inclusive or exclusive of VAT? Understand that cost proposal requires prices to be exclusive VAT.**

**Answer:** The budget range is £20-30K and is exclusive of VAT.

**Q5: Topic: Liability & indemnity in terms and conditions: Contractor’s liability cap – we’re not sure which figure applies but ask for it to be capped to 5x the contract value. Similarly, we note there are unlimited indemnities included in the draft contract.  As an SME our standard terms are to limit liability/indemnity to that of our insurance cover – is that possible in this case.**

**Answer:** Upon request, we can reasonably amend the contractor's General Liability Cap and Professional Indemnity Cap, subject to negotiations during the contract award stage.

**Q6: Topic: Content /focus of review:** Page 14 of RFQ states that the review should include “approaches taken in other countries with similar policy and regulatory approaches to the water environment”. Please can you clarify if you had any specific countries in mind and/or the number of other countries you anticipated being considered? For each country would you want reporting at range of spatial scales to be considered (as per Table 1) or could this be more selective of ‘best practice’ examples at specific scales?

**Answer:** Our interest is uncovering examples of where a natural capital framing of ecosystem services and benefits is used to complement more established measures of environmental condition (in the water environment), such as WER (WFD) ‘Good Ecological Status’. At the minimum, the project should look at each of the nations across the UK and identify if any EU countries that operate WFD are using a natural capital framing, and ideally, look beyond to other countries where the water environment is facing similar pressures. I would not expect the full range of spatial scales to be considered for each country. To avoid bias, this process of identifying best practice examples also needs to be complimented with a systematic review of literature using a robust methodology (e.g.  [The production of quick scoping reviews and rapid evidence assessments - GOV.UK (www.gov.uk)](https://eur03.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.gov.uk%2Fgovernment%2Fpublications%2Fthe-production-of-quick-scoping-reviews-and-rapid-evidence-assessments&data=05%7C02%7CDGC.SystemsTeam%40defra.gov.uk%7Cc6b5f6efd58e4198982508dd0242d208%7C770a245002274c6290c74e38537f1102%7C0%7C0%7C638669208192517799%7CUnknown%7CTWFpbGZsb3d8eyJFbXB0eU1hcGkiOnRydWUsIlYiOiIwLjAuMDAwMCIsIlAiOiJXaW4zMiIsIkFOIjoiTWFpbCIsIldUIjoyfQ%3D%3D%7C0%7C%7C%7C&sdata=HjAPJs%2Bk7n2frqsaBCAeVLlen5msFS6Q8%2B1InuD4M50%3D&reserved=0)).

**Q7: Topic: Content /focus of review:** Table 1 highlights a range of spatial scales – are some spatial scales of more interest/higher priority than others?

**Answer**:  All spatial scales are of interest, along with their potential for transferability to different scales.  The work should not produce an exhaustive list but, as you correctly identify, uncover a range of different approaches where they do exist, and note where they do not.

**Q8: Topic: Related projects:** Page 16 of RFQ states “we have an ongoing project looking at how to use a natural capital approach to support integrated catchment management from source to sea”. Can further information be provided on this project?

**Answer:**  The Source to Sea project is in early stages – but mentioned as it provides an example of how we are experimenting with the use of the natural capital approach to integrate the environment into social and economic policymaking. Through the project, the Environment Agency and partners aim to improve our understanding of how catchments can be managed to incorporate the impact of upstream pressures on coastal and estuarine assets, ecosystem services, and how strategic interventions planned across a source-to-sea scale can result in greater social, economic and environmental benefits. The project will trial the potential of a natural capital approach to integrate policy drivers and regulations, and incorporate environmental, social and economic data to create a less fragmented approach to governance across the land-sea interface. This will allow us to raise awareness of trade-offs and better inform decision making of our whole water environment.

**Q9: Topic: Response format: Should all response documents be submitted as a single document (i.e., Technical Response + Cost Proposal + Annexes)**

**Answer:** That would be ideal (and certainly make things more efficient on ‘this end’)  – but not essential.

**Q10: Topic: Response format: On page limits, does the ‘1 page project plan’ cover the response to the ‘Project Management’ Evaluation Criteria, and therefore response to this question is separate to the 6-page limit for the technical response? Or is the ‘1 page project plan’ additional space (e.g., for a GANTT chart) but any written response to the ‘Project Management’ Evaluation Criteria is covered in 6-page limit?**

**Answer:** The second interpretation is correct, i.e. the 1 page project plan is additional space (for a gantt chart or similar), with the 6 pages covering the ‘Project Management’ Evaluation Criteria – i.e. setting out what the contractor understands the project is trying to achieve, and how the contractor would go about delivering that.

**Q11: Topic: Response format: As above for Risk and Sustainability, is “1 page risk register” separate to any written response to ‘4: Risk’ Evaluation Criteria and is written response to ‘6: Sustainability & Social Equity’ included in 1 page risk register or 6 A4 sides?**

**Answer:** The one page risk register (+/- explanatory text) should be direct response to the ‘Risk Evaluation’ criteria. On the sustainability and social equity, please put where it fits.

**Q12: Topic: Response format: The ITT does not mention submission of Project Team CVs, can you confirm that you are not expecting CVs to be submitted?**

**Answer:** Not expecting CVs but some indication of the experience and suitability of the team to deliver this work is essential.

**Q13: Topic: Response format:** Should tender submissions be presented in any specific format?

**Answer:**  No specific format – but please limit to software that is commonly available, e.g. Word, XLS, PDF. (Not specialist project management software, like Microsoft Project).

**Q14: Topic: EA resources:  Will the EA project team have capacity to and/or support coordinating meetings/discussions with the Steering Group and other EA Internal Teams (e.g., as part of meeting Objective 2)?**

**Answer:** Yes, the EA team will coordinate the steering group to provide input into the project at appropriate times.