

**INVITATION TO TENDER**

**&**

**STATEMENT OF REQUIREMENT**

**Road Investment Strategy 3: Assessment of the impact and cost of measures to reduce National Highways’ carbon emissions**

**CPV Code:  73210000**

**Tender Reference: ORR/CT/22-14**

**Purpose of document**

The purpose of this document is to invite proposals for **Preparing for Road Investment Strategy 3: Assessment of the impact and cost of measures to reduce National Highways’ carbon emissions** 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 also hold National Highways to account for its day-to-day efficiency and performance, running the strategic road network, and for delivering the five year road investment strategy set by the Department for Transport (DfT).

ORR currently employs approximately 360 personnel and operates from 6 locations nationwide. The majority of personnel are located at ORR’s headquarters, 25 Cabot Square, London.

Our strategic objectives

**1. A safer railway:**
Enforce the law and ensure that the industry delivers continuous improvement in the health and safety of passengers, the workforce and public, by achieving excellence in health and safety culture, management and risk control.

**2. Better rail customer service:**
Improve the rail passenger experience in the consumer areas for which we have regulatory responsibility and take prompt and effective action to improve the service that passengers receive where it is required.

**3. Value for money from the railway:**
Support the delivery of an efficient, high-performing rail service that provides value for money for passengers, freight customers, governments, and taxpayers.

**4. Better Highways:**
National Highways operates the strategic road network, managing motorways and major roads in England. Our role is to monitor and hold it to account for its performance and delivery, so that its customers enjoy predictable journeys on England’s roads.

Supplying ORR

The ORR procurement unit is responsible for purchasing the goods and services necessary for ORR to achieve its role as the economic and health & safety regulator of the rail industry.

The ORR Procurement unit subscribes to the following values:

* to provide a modern, efficient, transparent and responsible procurement service;
* to achieve value for money by balancing quality and cost;
* to ensure contracts are managed effectively and outputs are delivered;
* to ensure that processes have regard for equality and diversity; and
* to ensure that procurement is undertaken with regard to Law and best practice.

For further information on ORR please visit our website: [www.orr.gov.uk](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** |
|
| **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** |
| National Highways operates, maintains and improves the strategic road network – the motorways and main 'A' roads in England. The Office of Road and Rail (ORR) – through its Highways Monitor function – is responsible for monitoring and enforcing the performance and efficiency of National Highways. The Government sets out its strategic vision for the SRN, objectives for National Highways, and the funding it will make available for their delivery in periodic road investment strategies. The third Road Investment Strategy (RIS3) will set out the requirements to be delivered by National Highways during road period 3 (April 2025 to March 2030). The development of RIS3 requires the coordinated efforts of the DfT, National Highways and ORR with each organisation having responsibility for leading relevant work streams. National Highways is responsible for developing a strategic business plan (SBP) detailing its plans for delivering the performance requirements set out in the Government’s draft RIS. ORR is responsible for leading the RIS3 efficiency review, an assessment of the level of efficiency, and challenge and deliverability of the plans that National Highways proposes to achieve in the SBP. The process of setting and varying a RIS is described in National Highways’ [licence](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/431389/strategic-highways-licence.pdf).The government has signalled the importance of reducing carbon emissions in the next road period in [*Planning ahead for the Strategic Road Network: Developing the Third Road Investment Strategy*](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1045938/planning-ahead-for-the-strategic-road-network-developing-the-third-road-investment-strategy.pdf). In addition, National Highways has set out its commitments for achieving a reduction in carbon emissions in its publication [*Net Zero Highways*](https://nationalhighways.co.uk/media/eispcjem/net-zero-highways-our-2030-2040-2050-plan.pdf). The ORR identified the challenge of carbon reduction as a key policy issue for RIS3 in its document [*Road Investment Strategy 3 Our Role and Approach*](https://www.orr.gov.uk/sites/default/files/2022-05/Road-Investment-Strategy-3-our-role-and-approach-2022-05-04.pdf). Although it is for the government to determine the environmental outcomes it wishes to achieve, it is the ORR’s role to determine whether the government’s requirements are challenging and deliverable within the funding available. The ORR will need to provide the government with assurance that the financial costs and benefits of reducing National Highways’ carbon emissions have been properly accounted for. |
| **2.2 Project Objectives & Scope** |
| **Objectives**The objective of this commission is to assess the achievability of National Highways’ greenhouse gas reduction plans, published in *Net Zero Highways*, for 2030 (for its operations) and 2040 (for its maintenance, renewals and construction activities) on its pathway to net zero, and to provide intelligence and estimates of the impact on the cost of delivery to achieve the plans.Greenhouse gas emissions of users of the SRN are outside the scope of this study.**Scope**The scope of the commission comprises the following stages and tasks:*Stage1:*1. Validation of NH’ carbon baseline assumptions;
2. An assessment of NH’ Net Zero Highways strategy and the more detailed plans that sit under it, in terms of their challenge and deliverability, to achieve the milestone commitments for net zero:
	1. in its own operations by 2030;
	2. for maintenance and construction by 2040;
3. Validation that the trajectory for reduction, set out in NH’ Net Zero Highways strategy, is robust and realistic;
4. Validation that key priorities and actions for carbon reduction, to achieve these commitments, have been identified and their contribution robustly assessed;
5. An assessment that the risks to delivery have been identified;

*Stage2:*1. An estimate of the impact on costs of operations, maintenance, renewals and enhancements of meeting the plans contained in the Net Zero Highways strategy.
2. An estimate on the impact on units costs of, for example (but not limited to), concrete, steel, asphalt, aggregates, onsite plant, and material transport of meeting these commitments – detailing the assumptions and risks identified in the analysis.

To prioritise their resources, consultants should focus their efforts on validating the impact and cost and actions National Highways has identified for the period to the end of road period 3 (2030). The starting point for this assessment should be the plans and cost estimates developed by National Highways. The consultants should engage with key individuals within National Highways to identify current and planned initiatives to reduce carbon emissions.Plans for road period 3 are at an early stage and the schemes and requirements the company will need to deliver may not be fully determined. As such, the consultants should initially focus on National Highways approach, drawing on its work, to adjusting cost estimates and the evidence on unit costs – detailing the assumptions and risks identified in the analysis.Where evidence is weak, the consultants should identify better sources of evidence from their own knowledge or research. Direct engagement with the construction sector to secure realistic estimates may form part of the consultants’ approach.  |
| **2.3 Project Outputs, Deliverables and Contract Management**  |
| **Outputs and Deliverables**The required deliverables are:* a focussed inception report setting out the programme to which the consultants will deliver as well as any changes to the approach set out in the consultant’s proposal;
* presentation of interim findings;
* a draft report for comment which details the findings, conclusions and recommendations;
* a final report which incorporates amendments from ORR and National Highways; and
* a final presentation to be made to representatives of ORR, and other stakeholders as required (e.g. DfT).

**Contract Management Requirements**Bidders should assume that the inception meeting, presentations of interim findings and the final presentation will be held at an ORR. We expect to hold progress meetings on a fortnightly basis via MS Teams. Consultants should provide a brief emailed progress report in advance.  |
| **2.4 Project Timescales** |
| A provisional timetable for each of the outputs has been defined, below. A project timetable should be refined by the consultants at the outset of the commission in consultation with ORR. * Project Inception Meeting: w/c 05 September 2022
* Presentation of interim findings (to be agreed)
* Draft report by end February 2022
* Final report and presentation by end March 2022
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| **2.5 Budget and Payment Schedule** |
| The maximum budget is £100,000 (inc. of expenses, exc. of VAT). However, we expect bids to be below this threshold.The successful consultant will be paid according to their progress. The default payment schedule is set out below, although we would be willing to discuss additional interim payment milestones provided these are linked to key deliverables:10% on delivery of an inception report60% on delivery and acceptance by ORR and National Highways of the draft report30% on delivery and acceptance by ORR and National Highways of the final report |
| **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; and
* 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.Conflict of InterestAt the date of submitting the tender and prior to entering into any contract, the tenderer warrants that no conflict of interest exists or is likely to arise in the performance of its obligations under this contract; or Where any potential, actual or perceived conflicts of interest in respect of this contract exist, tenderers need to outline what mitigation/safeguards would be put in place to mitigate the risk of actual or perceived conflicts arising during the delivery of these services.The ORR will review the mitigation/safeguards in line with the perceived conflict of interest, to determine what level of risk this poses to them. Therefore, if tenderers cannot or are unwilling to suitably demonstrate that they have suitable safeguards to mitigate any risk then their tender will be deemed non-compliant and may be rejected. |

**3. Tender Response & Evaluation criteria**

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| **3.1 The Tender Response** |
| The proposals for this project should include an outline of how bidders will meet the requirement outlined in section (ii) “Statement of Requirement”. The following information should be included:**a) Understanding of customer's requirements** * Demonstrate an understanding of the requirement and overall aims of the project.

**b) Approach to customer's requirements*** Provide an explanation of the proposed approach and any methodologies bidders will work to;
* Details of your assumptions and/or constraints/dependencies made in relation to the project;
* A project plan to show how outputs and deliverables will be produced within the required timescales, detailing the resources that will be allocated;
* An understanding of the risks, and explain how they would be mitigated to ensure delivery; 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;
* Project roles and responsibilities;
* Confirmation that you have carried out the necessary employment checks (e.g. right to work in the UK); and
* Some relevant examples of previous work that bidders have carried out (eg. case studies).

**d) Pricing**A fixed fee for the project inclusive of all expense. This should include a breakdown of the personnel who will be involved with the project, along with associated charge rates and anticipated time inputs that can be reconciled to the fixed fee.**e) Conflicts of Interest**Confirm whether you have any potential, actual or perceived conflicts of interest that may by relevant to this requirement and outline what safeguards would be put in place to mitigate the risk of actual or perceived conflicts arising during the delivery of these services.**f) Page Limit**Concise bids would be welcome. Bids should not extend beyond 20 sides of A4 (excluding project team CVs).  |
| **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 (40%)**The proposal should set out the methodology by which the project requirement will be initiated, delivered and concluded. In particular, it must:a) Explain the methodology and delivery mechanisms to ensure that the requirements of this specification are met in terms of quality;b) Explain how your organisation will work in partnership with ORR’s project manager to ensure that the requirement is met1. Explain how your organisation will engage with National Highways external stakeholders;

**Delivery (15%)**The proposal should set out how and when the project requirement will be delivered. In particular, it must:a) Explain how this work will be delivered to timescale and how milestones will be met, detailing the resources that will be allocated to each stage; b) Demonstrate an understanding of the risks, and project dependencies and explain how they would be mitigated to ensure project delivery; c) Explain the resources that will be allocated to delivering the required outcomes/output, and what other resources can be called upon if required.**Experience (25%)**The proposal should set out any experience relevant to the project requirement. In particular, it must:a) Provide CVs of the consultants who will be delivering the project; b) Highlight the organisation’s relevant experience for this project, submitting examples of similar projects.**Cost / Value for money (20%)**A **fixed fee** for delivery of the project requirement (inclusive of all expenses), including a full price breakdown for each stage of the project and details of the day rates that will apply for the lifetime of this project.

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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, preferably in the public sector and using the PRINCE2 or equivalent method. |
| Managing Consultant | Substantial experience in their specialist field and in a consultancy role. In depth knowledge of the public sector and of current policy and political issues affecting it. Previous experience in project management on at least 5 major projects, preferably in the public sector and using PRINCE2 or equivalent methods. |
| Director / Partner | Extensive experience in their specialist field, in which they are nationally or internationally renowned as an expert. Extensive experience of leading or directing major, complex and business critical projects; bringing genuine strategic insight. In depth knowledge of the public sector and of current policy and political issues affecting it. |

**Marking Scheme**

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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 | 11/07/2022 |
| Deadline for the submission of clarification questions | 05/08/2022 12pm |
| Deadline for submission of proposals | 12/08/2022 12pm |
| Shortlisted suppliers notified | 22/08/2022 |
| Interviews and presentations\* | 29/08/2022 |
| Award contract | 01/09/2022 |
| Project Inception Meeting | 05/09/2022 |

\*If required. 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

**Accessibility Guidelines**

As a public body we are legally required to comply with accessibility guidelines. Please ensure any commissioned report is in a format that meets web accessibility regulations. [**Document accessibility guidance for consultants**](file:///C%3A%5CUsers%5CBAugusto%5CAppData%5CLocal%5CBox%5CBox%20Edit%5CDocuments%5Cccf3VgqfXkaV5GQ1YEEwTA%3D%3D%5CDocument%20accessibility%20guidance%20for%20consultants)

**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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