**Specification for** Climate policy that cuts costs: An international policy analysis

Tender Reference Number: SA-1122

**Specification of Requirements**

Invitation to Tender for Climate policy that cuts costs: An international policy analysis

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Deadline for Tender Responses: 12pm on 11/01/2023

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**1 Introduction and summary of requirements / Preamble**

The Climate Change Committee (CCC) is looking to widen its understanding of policy responses that both address recent economic pressures on households and businesses and deliver potential for accelerated emissions reduction. In addressing the increases in household and business costs that have resulted from energy prices pushing up the rate of inflation, Government should seek to identify options that also contribute to the UK’s decarbonisation goals. Many countries are introducing policies with these dual aims in response to similar challenges and learning lessons from their efforts can inform a well-targeted policy response in the UK. The CCC is looking to analyse the international policy landscape in several key sectors, including buildings and transport.

To inform this work, the CCC is tendering a project 1) to establish an up-to-date summary of the key policies, including where relevant those targeted primarily at shifting behaviours, 2) where possible, evaluating (both quantitively and qualitatively as appropriate) these policies against a set of pre-determined criteria and analysing their potential effectiveness in a UK context and 3) identifying where and why potential cost-saving climate policies exist but have not been pursued in the UK and suggesting policies that would fill these identified gaps.

Given the fast-paced nature of the crisis, the tendered work needs to be delivered by 19/04/2023, at a cost of £40,000 - £50,000 excluding VAT.

The CCC’s past reports are available here: <http://www.theccc.org.uk/reports/>.

# 2 Background

**The Climate Change Committee**

The Climate Change Committee (CCC) was set up as part of the Climate Change Act. The CCC is an independent body tasked with providing advice to Government on climate change issues, and particularly the setting of carbon budgets, and the monitoring of progress towards meeting those budgets.

The Committee provided advice on the Sixth Carbon Budget (setting a limit on UK emissions in the period 2033-2037) in 2020 and assessed UK progress in its annual Progress Report in June 2022.

**The Climate Change Committee’s international work**

To date, the CCC has published several reports on the international climate change picture, including:

* In December 2021, the CCC published a summary of the [key outcomes from COP26 and next steps for the UK](https://www.theccc.org.uk/publication/cop26-key-outcomes-and-next-steps-for-the-uk/)
* A set of international briefings sharing the [UK’s approach to addressing climate change](https://www.theccc.org.uk/publication/insights-briefings-sharing-the-uk-approach-to-addressing-climate-change/)
* Advice on the impact of international climate developments on the UK’s domestic action and an assessment of the UK’s contribution to global efforts in the [2022 Progress Report](https://www.theccc.org.uk/publication/2022-progress-report-to-parliament/)

The CCC is also an active member of, and was fundamental in developing, [the International Climate Councils Network](https://climatecouncilsnetwork.org/about/) which aims to facilitate learning between national-level climate councils.

Following on from the November 2022 [letter](https://www.theccc.org.uk/publication/letter-reducing-energy-demand-in-buildings-in-response-to-the-energy-price-crisis/) to the Chancellor of the Exchequer providing advice on reducing energy demand in buildings, the CCC plans to support Government to address the energy price crisis with further advice on how policies can be used to address both the pressures on household and business costs and the need to deliver emissions reduction in line with the Government’s Net Zero Strategy pathway.

# 3 Aims and Objectives

The aim of this project is to strengthen CCC evidence and analysis on policies that have 1) been implemented in other countries to address the **impacts of the energy crisis on household and business costs** that have **emissions reduction potential** and 2) could potentially be implemented in the UK in coming years. This will inform the CCC’s advice to government on which policies should be put in place to address the impacts of the energy crisis.

The four key tasks of this project are listed below, with guidance on the anticipated division of resource between them included as a percentage:

1. Identify a list of policies by other countries to address the impacts of the current energy crisis on household and business costs (20%).
2. Evaluate (quantitatively and/or qualitatively) a selection of the policies above against a set of pre-agreed criteria. Analyse the policies’ potential effectiveness in a UK context (50%).
3. Identify potential learnings for the UK from the evaluated policies, linking to gaps where potential cost- and emissions-saving policies have not been implemented within the UK and suggesting policies or approaches to address these gaps (30%).

In this work we would like to primarily focus on UK learnings from policies in other countries, producing insights on specific targeted policies (rather than increased overarching sector goals) that are designed to address energy costs and alongside deliver faster emissions reductions. Where possible, policy evaluation should be quantitative (including potential cost savings and emissions impact), although the CCC recognises the fast-paced and untested nature of policy implementation in response to the crises discussed so qualitative assessments where necessary are also welcomed.

The policy analysis and insights should focus on specific sectors, including in particular transport and buildings, and we suggest engaging with policy actors in other countries to maximise the quality of evidence feeding into the project.

# Methodology

**Task 1:** *Identify a list of policies implemented by other countries to address the impacts of the current energy crisis on household and business costs (20%).*

Broadly this task is divided into **(i)** identifying a list of policies implemented by other countries in response to the current energy crisis that have a positive impact on household or business costs **(ii)** categorising these policies by country, sector, category, timing (including both date of implementation and whether the policy is time-limited), overall impact on emissions (to date and expected as applicable) and any co-benefits such as improvements to air quality or workforce skills.

While the energy crisis was triggered by the invasion of Ukraine, it built upon a situation arising from energy supply and usage shocks during and following the Covid-19 pandemic. As such, measures introduced from 2020 onwards can be considered within scope if they are applicable to addressing the objectives of this work.

The approach to both parts should include a literature review of recent publications on countries’ actions in addressing the impacts of the current energy crisis on household and business costs. It should also include discussions with international policy makers to establish if the identified policies from the literature review/desk-based research has left any gaps. We welcome suggestions on priority countries to focus discussions with.

Where applicable, the list of policies should identify where multiple policies in one country form a policy package; that is, where multiple policies form a complementary set designed to deliver a common end outcome or result.

 The CCC secretariat team can assist in developing criteria to identify policies. Some example policies include:

* Germany’s €9 public transport ticket
* Canada’s Greener Homes initiative (retrofit grants of up to CD$5000 and 10-year interest free loans of up to CD$40,000)
* Estonia’s BuildEST project (solar and energy efficiency grants for households, apartment block retrofit demonstrators and training for engineers and architects).
* United States Inflation Reduction Act consumer tax rebates for installation of energy efficiency measures
* Italy’s ‘superbonus’ green retrofit buildings programme

For part **(ii)** the categorisation should be provided in an Excel workbook for ease of filtering. It should provide evidence of:

1. The country where the policy has been implemented.
2. A summary of whether the policy is at a national or region-specific level
3. The vocalised aims of the policy.
4. The cost/committed funding for the policy.
5. The sector(s) that is impacted by the policy. This categorisation should be completed using the CCC’s sectors[[1]](#footnote-2). We prioritise the following sectors (although welcome policies outside of these sectors): Buildings, surface transport, infrastructure, electricity/fuel supply, manufacturing and construction.
6. The sub-sector of the policy. For example, buildings could be split into the sub-sectors of residential buildings, commercial buildings and public sector buildings.
7. The category of policy. For example, is it a subsidy, tax credit, grant, tax, regulation, information provision, nudge.
8. Length of implementation (i.e. is this a short-term or long-term policy response) with an indication of timeframe where evidence is available.
9. Potential/evidenced impact on emissions.
10. Potential/evidenced co-benefits in areas such as health or road congestion.
11. Whether this policy is part of a wider package of policies with clear reference to the rows containing information on linked policies.

The CCC welcomes suggestions in bids on other potential categories that may be useful for this work.

**Task 2:** *Evaluate (quantitatively and/or qualitatively) a selection of the policies above against a set of pre-agreed criteria. Evaluate the policy’s potential effectiveness in a UK context (50%).*

Bids should outline plans for prioritising which of the policies identified in Task 1 are evaluated in Task 2, assessing whether policies identified have sufficient available detail and evidence for further analysis. Where possible, this should look at packages of policies, as identified in Task 1. Based on this we expect that at most ten individual policies, covering a range of sectors and countries, will be selected for in depth evaluation. This number will be smaller where packages of policies have been evaluated.

The approach to this task will differ depending on the extent of evaluation that has already been conducted elsewhere. We envisage that this task will make use of evaluation that has already been conducted by the country/region of policy implementation or other relevant bodies. Where pre-existing policy evaluations aren’t available, we would like to see new quantitative analysis if there is sufficient data or, failing this, detailed qualitative evaluation. If the analysis looks like it will be primarily qualitative, we would like to see the development of a strategy to **rank** policies in terms of potential or realised effectiveness. We ask bidders to identify in their bids the balance they anticipate being able to provide between quantitative analysis and qualitative.

Bidders should also set out plans for how they will analyse international policies or policy packages’ suitability for application to the UK. Relevant considerations could include the economic characteristics, previous policy landscape and societal norms in the country in which the policy has been enacted, relative to the UK.

**Optional:** Ideally, we would like to see quantitative or qualitative evaluation of the distributional impacts of these policies. Similarly, a ranking of policies with regards to this consideration should be targeted if the primary methodology is qualitative.

**Task 3*:*** Identify potential learnings for the UK from the evaluated policies and policy packages, linking to gaps where potential cost- and emissions-saving policies have not been implemented within the UK and suggested policies or approaches to address these gaps (30%).

This task is split into two parts:

1. Write a short piece identifying gaps in the UK’s approach to addressing the impact of the energy crisis on household and business costs. Highlight and focus on areas where there is potential for dual costs and emissions savings, but that potential has not as yet been realised.
2. Use the international examples listed in Task 1 and the analysis from Task 2 on potential applicability of international policies or policy packages to the UK to suggest measures or packages of measures that could fill these identified gaps. This task should focus on policies that could be implemented in the UK by Winter 2024. Where applicable, suggestions should be accompanied by policy insights from the evaluation in Task 2, providing UK-specific advice on policy design and implementation, drawing on learnings from other countries.

Report text for part (ii) should be accompanied by an Excel spreadsheet that list the proposed cost and emissions saving policies for the UK.

We ask that these suggested policies and policy packages are categorised in a similar way as in Task 1:

1. The category of policy/policy package. For example, is it a subsidy, a tax, regulation or information provision?
2. The aims of the policy/policy package.
3. The potential cost of the policy/policy package (this does not have to be fully costed, an indicative range is adequate).
4. The sector(s) that would be impacted by the policy/policy package. This categorisation should be completed using the CCC’s sectors (see above).
5. Timing of policy/policy package. Should the policy/policy package be time-limited, and are there barriers such as production delays, or pre-existing regulations that will delay immediate implementation?
6. Estimated impact on emissions.
7. Estimated impact on household or business costs.
8. Potential co-benefits.

The accompanying policy insights from the report text for part (ii) do not need to be copied into the Excel table.

#

# Outputs Required

The outputs of this work should include:

* **An Excel spreadsheet and table in the report covering Task 1,** containing a list of international policies with information provided for each of the categories set out in Section 4 above. The table in the spreadsheet should be filterable by category.
* **An Excel spreadsheet contributing towards part (ii) of Task 3,** containing a list of potential policies expected to have both cost and emissions savings that could be implemented in the UK.
* **A final report to publishable standard that includes an executive summary of key findings and recommendations, introduction, a summary of Task 1 (with a table) and chapters covering Task 2 and Task 3,** containing evaluations of the policies selected for Task 2, and details of the qualitative/quantitative approach taken. The evaluations should be separated into sections, including potential applicability of the policy to the UK, and have a repeated structure for each policy for ease of comparison. This report should also address Task 3 by detailing any gaps in the UK’s approach to addressing the cost impacts of the energy crisis and producing policy insights on the potential solutions that could be effective in filling these gaps. There should also be a conclusion that sets out any overarching messages from the research and key takeaways for UK policymakers aiming to ease cost burdens and cut emissions.

Bids should clearly set out what outputs would be included. We welcome suggestions on the potential ordering of the sections in the report.

Where excel workbooks are used these should be shared, fully unlocked, and linked to the rest of the excel workbook sheets where applicable. The CCC should have full capability to update any workbooks.

Where quantitative analysis is carried out, the CCC should have sight of how this has been done and have access to sufficient information (e.g. through provision of workbooks) to replicate the analysis with different assumptions or new data for future work.

Bidders will likely have to make use of pre-existing knowledge/contacts to deliver the outcomes above, and the CCC welcome this. However, all findings/methodologies used in this project should be made transparent and all findings should be provided in a publishable format. Any limitations on sharing (e.g. external to the CCC) should be specified as part of the tender.

In addition to the above, we also expect interim deliverables to be required, including slide packs for the purposes of milestone and/or steering group meetings.

# Ownership and Publication

The key output deliverables will be handed over to the CCC, who may choose to publish these as supporting evidence on their website. Spreadsheets should be open access and unrestricted, to enable full QA of results and assumptions.

# Quality Assurance

This project must comply with the ‘CCC – Quality Assurance of Evidence and Analysis’ guidance[[2]](#footnote-3) and bidders must set out their approach to quality assurance in their response to this ITT.

All research tasks and modelling must be quality assured and documented. Contractors should:

* Include a quality assurance (QA) plan that they will apply to all of the research tasks and modelling,
* Specify who will take lead responsibility for ensuring quality assurance and ensure that this responsibility rests with an individual not directly involved in the research, analysis or model development,
* Provide QA log to demonstrate the QA undertaken, including who undertook the QA and the scope, type and level of QA that has been undertaken (e.g., a log entry only stating ‘the data was checked’ will not be sufficient),
* Allow for a meeting with CCC staff to run through QA performed.

Sign-off for the quality assurance must be done by someone of sufficient seniority within the contractor organisation to be able take responsibility for the work done. Acceptance of the work by the CCC will take this into consideration. The CCC reserves the right to refuse to sign off outputs which do not meet the required standard specified in this invitation to tender.

The successful bidder will be responsible for any work supplied by sub-contractors and should therefore provide assurance that all work in the contract is undertaken in accordance with the quality assurance expectation agreed at the beginning of the project.

# Timetable

The proposed timeline is set out in Table 1:

Table - key milestones

|  |  |
| --- | --- |
| **Date** | **Action** |
| 19/01/23 | Kick-off meeting |
| 13/02/23 | First interim presentation/report on policies identified and which will be taken forward for evaluation. |
| 13/03/23 | Latest date for delivery of underlying data/findings.  |
| 30/03/23 | Latest date for delivery of a draft of the final report for CCC feedback. |
| 19/04/23 | Latest date for delivery of final report and findings (including any updates based on earlier CCC feedback). |

In addition to the formal reporting points, the CCC would expect to have regular scheduled discussions (e.g. weekly virtual meetings) to ensure the work is progressing as expected.

# Challenges

The specific challenges that the CCC envisage with this project include:

* The policy landscape changing during the project due to the fast-paced nature of the crisis.
* Limitations on evidence available for evaluation of international policies due to many measures being at an early stage of implementation.
* Gaining access to relevant policy officials in other countries to get useful insights on implementation of policies.
* Establishing links with research organisations and policy institutes in other countries to ensure there are no gaps in the compilation of existing evaluations of international policies.
* Identifying policies implemented internationally that would be effective at addressing policy gaps in the UK without negative consequences.
* Keeping the focus on the impact of the energy crisis on household costs specifically.

Bids should set out how these risks will be managed alongside any other risks and challenges to successfully undertaking this work.

# Ethics

All applicants will need to identify and propose arrangements for initial scrutiny and on-going monitoring of ethical issues. The appropriate handling of ethical issues is part of the tender assessment exercise and proposals will be evaluated on this as part of the ‘addressing challenges and risks’ criterion.

We expect contractors to adhere to the following GSR Principals:

1. Sound application and conduct of social research methods and appropriate dissemination and utilisation of findings
2. Participation based on valid consent
3. Enabling participation
4. Avoidance of personal harm
5. Non-disclosure of identity and personal information

# Working Arrangements

The successful contractor will be expected to identify one named point of contract through whom all enquiries can be filtered. A CCC project manager will be assigned to the project and will be the central point of contact.

# Skills and experience

 CCC would like you to demonstrate that you have the experience and capabilities to undertake the project. Your tender response should include a summary of each proposed team members experience and capabilities.

 Contractors should propose named members of the project team and include the tasks and responsibilities of each team member. This should be clearly linked to the work programme, indicating the grade/ seniority of staff and number of days allocated to specific tasks.

Contractors should identify the individual(s) who will be responsible for managing the project.

# Consortium Bids

In the case of a consortium tender, only one submission covering all of the partners is required but consortia are advised to make clear the proposed role that each partner will play in performing the contract as per the requirements of the technical specification. We expect the bidder to indicate who in the consortium will be the lead contact for this project, and the organisation and governance associated with the consortia.

Contractors must provide details as to how they will manage any sub-contractors and what percentage of the tendered activity (in terms of monetary value) will be sub-contracted.

If a consortium is not proposing to form a corporate entity, full details of alternative proposed arrangements should be provided. However, please note CCC reserves the right to require a successful consortium to form a single legal entity in accordance with Regulation 28 of the Public Contracts Regulations 2006.

CCC recognises that arrangements in relation to consortia may (within limits) be subject to future change. Potential Providers should therefore respond in the light of the arrangements as currently envisaged. Potential Providers are reminded that any future proposed change in relation to consortia must be notified to CCC so that it can make a further assessment by applying the selection criteria to the new information provided.

# Budget

The budget for this project is £40,000 to £50,000 excluding VAT, we would want to take delivery of a draft report by the end of March so that 80% of the cost can be made in 2022-23 financial year [end of March 23].

Contractors should provide a full and detailed breakdown of costs (including options where appropriate). This should include staff (and day rate) allocated to specific tasks.

Cost will be a criterion against which bids which will be assessed.

Payments will be linked to delivery of key milestones. The indicative milestones and phasing of payments can be adjusted and agreed with the contractor and Project Manager. Please advise in your tender response how this breakdown reflects your usual payment processes:

In submitting full tenders, contractors confirm in writing that the price offered will be held for a minimum of 60 calendar days from the date of submission. Any payment conditions applicable to the prime contractor must also be replicated with sub-contractors.

The Committee on Climate Change aims to pay all correctly submitted invoices as soon as possible with a target of 10 days from the date of receipt and within 30 days at the latest in line with standard terms and conditions of contract.

# Evaluation of Tenders

Contractors are invited to submit full tenders of no more than 25 pages, excluding declarations and CV’s. Tenders will be evaluated by at least three CCC staff.

CCC will select the bidder that scores highest against the criteria and weighting listed below, see the ITT for further information.

**EVALUATION CRITERIA AND SCORING METHODOLOGY**

|  |  |  |
| --- | --- | --- |
| Criterion | Description | Weighting |
| 1 | RELEVANT EXPERIENCE / DEMONSTRATION OF CABABILITY | 15% |
| 2 | MANAGING YOUR RELATIONSHIP WITH THE CCC | 10% |
| 3 | QUALITY ASSURING THE SERVICES YOU PROVIDE | 5% |
| 4 | MANAGEMENT STRUCTURE | 5% |
| 5 | PROJECT TEAM – SKILLS AND KNOWLEDGE | 20% |
| 6 | METHOD, ABILITY AND TECHNICAL CAPACITY – 10% | 20% |
| 7 | UNDERSTANDING OF REQUIREMENTS | 10% |
| 8 | RISK AND CHALLENGES | 15% |
|  |  | 100% |

**Scoring Method**

Tenders will be scored against each of the criteria above, according to the extent to which they meet the requirements of the tender. The meaning of each score is outlined in the table below.

The total score will be calculated by applying the weighting set against each criterion, outlined above; the maximum number of marks possible will be 100. Should any contractor score 1 in any of the criteria, they will be excluded from the tender competition.

|  |  |
| --- | --- |
| **Score** | **Description** |
| 1 | Not Satisfactory: Proposal contains significant shortcomings and does not meet the required standard |
| 2 | Partially Satisfactory: Proposal partially meets the required standard, with one or more moderate weaknesses or gaps  |
| 3 | Satisfactory: Proposal mostly meets the required standard, with one or more minor weaknesses or gaps. |
| 4 | Good: Proposal meets the required standard, with moderate levels of assurance |
| 5 | Excellent: Proposal fully meets the required standard with high levels of assurance |

**Scoring for Pricing Evaluation**

Price will be marked using proportionate pricing. Please see the example below.

Marking proportionate to the lowest price.

Price will be scored as set out below.

There will be a maximum of e.g. 20 marks

The lowest priced bid will receive the full 20 marks, all other bids will then be marked as set out below.

Proportionate Pricing scoring example

If 20% = 20 marks

|  |  |  |
| --- | --- | --- |
| Supplier | Price | Marks |
| 1 (lowest bid) | £50,000 | 20 |
| 2 | £60,000 | 50/60 \* 20 = 16.7 |
| 3 | £75,000 | 50/75 \* 20 = 13.3 |

**Structure of Tenders**

Contractors are strongly advised to structure their tender submissions to cover each of the criteria above and supply a price schedule specifying the daily rates (ex-VAT) you will charge for each level of your staff.

**Evaluation for Interviews, if held**

CCC reserves the right to award the contract based on applicants’ written evaluation only if one candidate emerges from the evaluation stage as significantly stronger than the others.

Should interviews go ahead, CCC will shortlist the top two or three suppliers with the highest marks from the written proposals. Interviews are provisionally expected to be held on 16/01/23. If this date changes, CCC will notify applicants.

The areas to be covered in the interview, and markings allocated to each topic area will be sent to the shortlisted supplier prior to interview.

Further details of interviews will be sent to successful applicants on selection.

**Feedback**

Feedback will be given in the unsuccessful letters or emails.

1. CCC’s sectors: Surface transport, buildings, manufacturing and construction, electricity supply, fuel supply, agriculture and land use, aviation, shipping, waste, F-gases, engineered removals, cross-cutting issues. Cross-cutting issues include: governance, public engagement and choices, fair funding and affordability, workers and skills, business and finance, innovation, infrastructure, trade, carbon leakage and reducing consumption emissions, adaptation [↑](#footnote-ref-2)
2. <https://www.theccc.org.uk/wp-content/uploads/2020/04/CCC-%E2%80%93-Quality-Assurance-of-Evidence-and-Analysis.pdf> [↑](#footnote-ref-3)