# Invitation to Tender (ITT) and Statement of Requirement

# Analysis to inform ORR’s RIS3 Efficiency Review

28 September 2023

* + - * + **CPV Code: 72221000**
        + **Tender Reference: ORR/CT/23-33**

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Purpose of the document

The purpose of this document is to invite proposals for **Analysis to inform the RIS3 Efficiency Review** 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

## Introduction to the Office of Rail and Road

The Office of Rail and Road is the independent safety and economic regulator of Britain’s railways and is responsible for monitoring and enforcing the performance and efficiency of National Highways.

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 A 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](https://www.orr.gov.uk/).

Small and Medium Enterprises

1. 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:

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

## Statement of Requirement

### 2.1 Background of the project

The Office of Rail and Road (ORR) independently monitors National Highways’ management of the strategic road network (SRN) – the motorways and main A roads in England. We scrutinise the company and hold it to account for its management of the SRN – including delivery of performance and efficiency.

We also advise the government on the appropriate level of funding and performance requirements for future road periods to help frame challenging and deliverable performance and efficiency requirements. These requirements are set out by the government in road investment strategies (RIS).

The third Road Investment Strategy (RIS3) will set out the requirements to be delivered by National Highways during the period 2025-6 to 2029-30 (road period 3 or RP3). The process of setting and varying the RIS is set out in National Highways’ licence.

A key part of our role is to provide advice to the Secretary of State on the extent to which the proposed requirements are challenging and deliverable within the financial resources to be provided. This is known as the Efficiency Review.

ORR is seeking to appoint consultants to support its work ahead of, and during, the Efficiency Review.

**Relevant documents**

Further information on our role and approach to RIS3 can be found on our website ([ORR’s role and approach to RIS3 | Office of Rail and Road](https://www.orr.gov.uk/search-consultations/orrs-role-and-approach-ris3)).

Further information on the RIS3 process more generally, can be found on the Department for Transport’s website (Preparing the third road investment strategy - GOV.UK (www.gov.uk)).

‘Shaping the future of England’s strategic roads’ – the government’s recent consultation on National Highways’ Strategic Road Network Initial Report can be found here: [Shaping the future of England's strategic roads - GOV.UK (www.gov.uk)](https://www.gov.uk/government/consultations/shaping-the-future-of-englands-strategic-roads/shaping-the-future-of-englands-strategic-roads)

### 2.2 Project Objectives and Scope

Later in 2023, the government will publish its draft RIS. This includes the proposed requirements to be delivered by National Highways, and the financial resources to be provided by the Secretary of State (the SoFA). National Highways’ Draft Strategic Business Plan (SBP) details its plans for delivering the requirements set out in the Draft RIS.

During the Efficiency Review, we undertake a detailed review of the Draft SBP to confirm that National Highways’ plans will deliver the governments requirements (as set out in its Draft RIS) and do so in a way that represents an effective and efficient use of public money.

The Efficiency Review will consider whether National Highways’ plans have been appropriately costed and will deliver the government’s requirements in an efficient manner. However, our advice is not limited to cost, and efficiency. We will also evaluate the quality of National Highways’ plans to ensure they provide a robust basis for delivery.

Furthermore, we advise government on the performance requirements and targets included in the RIS3 Performance Specification. It is our role to ensure that requirements and targets are sufficiently stretching, supported by appropriate plans and that the RIS package as a whole is challenging and deliverable with the funding available.

For context, the second Road Investment Strategy – containing the RIS2 Performance Specification - can also be found on the Department for Transport’s website ([Road Investment Strategy 2 (RIS2): 2020 to 2025 - GOV.UK (www.gov.uk)](https://www.gov.uk/government/publications/road-investment-strategy-2-ris2-2020-to-2025))

This commission will inform ORR’s advice in each of the areas set out above. To meet ORR’s requirements, this commission has been subdivided into the following five LOTS:

* + - * + LOT 1: Operations, maintenance, renewals and digital
        + Lot 2: Enhancements
        + LOT 3: Safety
        + LOT 4: Environment
        + LOT 5: Economic advice

Successful bidders will be responsible for scrutinising aspects of the Draft SBP and providing expert advice and analysis. For each LOT, the final deliverable will be a report setting out the consultant’s findings. ORR will draw on these reports when developing its advice to the Secretary of State. The advice itself, and the opinions it contains, remain the responsibility of ORR.

The ORR project team and consultancy teams will need to work in an integrated manner during the Efficiency Review. In some cases, the boundaries between various LOTS are overlapping. Therefore, consultants will also need to liaise with each other during the process.

Direct engagement with subject-matter experts within National Highways will be required. National Highways and ORR will facilitate interviews and workshops for this purpose. Meetings will typically be attended by both consultants and ORR. The ORR will submit requests for data and information to National Highways on the consultants’ behalf via an agreed process for the Efficiency Review.

#### LOT 1: Operations, maintenance, renewals and digital (OMR)

##### Objectives

LOT 1 involves the provision of expert advice to support ORR’s assessment of National Highways’ plans for operating, maintaining and renewing the SRN. Included in the scope of LOT 1 is a review of digital aspects of the company’s plans covering both digital assets and corporate digital expenditure related to the operation, maintenance and renewal of the network.

The consultants will be responsible for scrutinising specific aspects of National Highways’ plan. The outputs of this work will feed into ORR’s overarching review.

##### Requirements

The successful consultants will be required to review relevant sections of National Highways’ draft SBP and engage with the company on its plans and supporting evidence.

The specific requirements are:

* 1. To review National Highways’ renewals plans for a sample of up to five asset types. The sample will be agreed at the outset of the commission but will include roadside technology assets (see requirement (d)). The consultants should assess whether plans are aligned with the company’s Asset Management Policy and Strategy and the relevant Asset Class Strategy. They should also consider how plans take account of the company’s stated approach to climate change adaptation.

The consultants should assess whether National Highways’ final plans make appropriate use of the company’s data and modelling tools\*. Consultants should review the approach taken to estimating the costs of renewals plans and comment on the maturity of National Highways’ approach. This should consider whether the company has used appropriate internal and external unit cost benchmarks. Finally, the consultants should identify and assess risks to the delivery of the company’s plans.

* 1. To review National Highway’s plans for maintaining the network. As above, the review should consider whether the RIS3 plans are aligned with the company’s broader strategy. The successful consultants should look for evidence that there is a clear linkage between proposed resource levels and planned maintenance outputs and performance levels. The consultants should look for evidence that maintenance and renewals plans are aligned. They should consider how the company has considered changing asset needs and factors such as climate change.
  2. To support ORR’s assessment of whether proposed RIS3 performance targets are challenging and deliverable. To do this the consultants should review the evidence put forward by National Highways to support the delivery of targets for Key Performance Indicators (KPIs) most closely linked to operations, maintenance and renewals. RIS3 KPIs have yet to be determined. Based on the RIS2 Performance Specification, relevant KPIs are as follows: Roadworks Network Impact KPI, Incident Clearance KPI, Pavement Condition KPI, and Roadworks Information Timeliness and Accuracy KPI. Consultants should comment on the quality of supporting evidence provided by National Highways and highlight key areas of risk and uncertainty.
  3. During RP3, National Highways will assume full responsibility for operating, maintaining and renewing several sections of road currently managed via DBFO (Design, Build, Finance and Operate) arrangements. The consultants should review the approach the company is taking to the ‘hand-back’ of these roads. The review should assess whether plans for RIS3 take appropriate account of the impact of DBFO hand-back on cost and performance. The review should consider the approach to establishing asset condition and associated maintenance and renewals requirements. As part of this, consultants should explore how National Highways is working with DBFO companies to secure required data and ensure contractual obligations are fulfilled. Key risks and uncertainties relating to the DBFO hand-back should be identified and assessed. Finally, the review should consider how National Highways has taken account of DBFO hand-back in planning future resource levels in its Operations Directorate. This should include consideration of the potential for the company to achieve economies of scale in the operation of these roads.
  4. Specific consideration should be given to digital aspects of the draft SBP. This includes operation, maintenance and renewal of roadside/operational technology and supporting systems, plans relating to the operation and maintenance of smart motorways, and other digital investments related to the operation, maintenance and renewal of the network (e.g. asset management systems and cyber security). This does **not** include routine expenditure on IT equipment and software (e.g. computers, finance systems etc).

Consultants should undertake a detailed review of National Highway’s plans for operating, maintaining and renewing roadside technology assets. They should consider whether plans are aligned to National Highways’ Operational Technology strategy with particular focus on the degree to which plans facilitate the company’s ambitions for 2030.

Consultants should look for evidence that the company is taking a joined-up approach to roadside assets and supporting systems and has a clear plan for delivery. The review should consider whether an appropriate approach has been taken to cost estimation and whether the company has used appropriate internal and external unit cost benchmarks. Consultants may be able to contribute their own evidence in this regard.

As part of the review, consultants should consider whether plans for renewing digital assets are aligned with proposed levels of performance (i.e. technology availability).

\*In 2022, we published a review National Highways’ approach to renewals investment planning: <https://www.orr.gov.uk/sites/default/files/2022-05/ris3-renewals-planning-task-1-eam-report.pdf>. We will be updating and extending this work via a separate commission ahead of the Efficiency Review. This work is focussed on the quality of asset data and tools the company uses to inform its investment plans. It does not concern the plans themselves. During the Efficiency Review, consultants should draw on and not repeat this work.

#### LOT 2: Enhancements

##### Objectives

The purpose of LOT 2 is to provide case study evidence to inform ORR’s overall assessment of whether the planned programme of major enhancement projects (road improvement projects) is challenging and deliverable.

##### Requirements

Before commencing the project reviews, the successful consultants should familiarise themselves with National Highways’ overall approach to cost estimation and schedule development for major enhancement projects. Consultants should draw on previous reviews commissioned by ORR as well as the draft SBP itself.

Following this, the consultants should undertake detailed reviews of a sample of up to six case study enhancement projects.

We will select the sample of projects after receiving the draft SBP. The sample will prioritise higher-value projects with known risks. It will encompass projects in various stages of development, including (but not limited to) those involved in the Development Consent Order (DCO) process.

We would envisage that each review will involve a combination of desk-based review of information provided by National Highways and direct engagement with project teams.

The case studies should comprise the following:

* 1. A review of the approach taken to cost estimation. This should confirm that the approach taken to the project in question is in line with National Highways’ overall stated approach. It should describe and evaluate the approach taken to accounting for project risks. It should consider how forecasts costs have changed over time and confirm that the estimates included in the draft SBP are up to date. It should critically evaluate the evidence put forward to justify recent changes to forecast costs. For projects in the development phase, consultants should look for evidence that the proposed level of expenditure during the project development stage (i.e. ahead of construction) is appropriate and justified.
  2. A review of the approach to project scheduling. This should consider how key project milestones (i.e. start of works and open for traffic) have been established. Where appropriate, the case study should explore how these milestones compare with contracted commitments and consider how the company has built contingencies into project schedules. The case studies could include benchmarking against past projects delivery by National Highways building on work previously commissioned by ORR (<https://www.orr.gov.uk/sites/default/files/2022-05/ris3-enhancements-delivery-timescales-and-risks-review-nichols-report-february-2022.pdf>).
  3. An overall assessment of the key risks and dependencies to the successful delivery of the project. This evaluation should centre on confirming whether these risks and dependencies have been factored into the project’s cost and schedule estimations.

#### LOT 3: Safety

##### Objectives

Consultants appointed under LOT 3 will undertake an evaluation of National Highways’ safety improvement proposals to inform ORR’s advice on safety performance targets for RIS3.

##### Requirements

We hold National Highways to account for reducing the number of people killed or seriously injured (KSIs) on the SRN (the ‘KSI target’). We expect this KPI to be retained and the target updated for RP3. During the Efficiency Review, it is the ORR’s role to assess whether the proposed target is challenging and deliverable based on the safety improvement plans put forward by National Highways.

The successful consultants will undertake a review of National Highways’ proposed approach to (maintaining and improving) road safety performance. They should provide advice on the quality and maturity of plans including, but not limited to, safety-related national programmes and Designated Funds (ring fenced funding for the purposes of addressing a range of specific issues over and above the traditional focus of road investment).

The review should consider the way in which National Highways has prioritised differing types of safety interventions to optimise the impact of its investments.

Consultants should evaluate the company’s approach to cost estimation for safety initiatives. This should consider whether appropriate cost benchmarks have been applied. If appropriate, consultants may provide their own benchmark evidence.

The review should seek to confirm that National Highways has a robust plan in place for delivering its programme of safety initiatives. This should cover the approach to project design, development, selection, risk and delivery. Any unmitigated risks should be identified.

The consultants should review the analysis used by National Highways to assess the impact of its plans on safety performance and to evidence the achievability of safety related performance targets, including the KSI target. This should confirm that the company has made best use of available evidence on:

* + - * + trends in safety performance;
        + headwinds and tailwinds affecting the achievability of target; and
        + the impact of National Highways’ plans.

It should be noted that consultants are not expected to undertake any modelling themselves but are required to review the evidence put forward by National Highways. ORR will use the findings to inform our assessment of whether RIS3 safety performance targets are challenging and deliverable.

#### LOT 4: Environment

##### Objectives

Consultants appointed to LOT 4 will support ORRs assessment of National Highways’ environmental plans. The review will inform ORR’s assessment of whether proposed RIS3 environmental targets are challenging and deliverable.

##### Requirements

Consultants are required to review environmental aspects of National Highways’ plans including but not limited to environmental-related national programmes and Designated Funds.

The review should establish whether there is clear alignment between the plans developed by National Highways, and emerging RIS3 environmental performance requirements, as well as statutory responsibilities (i.e. clear linkages between costs, activities, outputs and outcomes).

Consultants should evaluate the company’s approach to cost estimation for environmental initiatives. This should consider whether appropriate cost benchmarks have been applied. If appropriate, consultants may provide their own benchmark evidence.

The review should seek to confirm that National Highways has a robust plan in place for delivering environmental improvements. This should cover the approach to project design, development, selection, risk and delivery. Any unmitigated risks should be identified.

Based on the plans and evidence put forward by National Highways, the consultants should assess whether proposed environmental performance targets (i.e. KPIs) are achievable. RIS3 KPIs have yet to be determined. The RIS2 Performance Specification includes KPIs for biodiversity, noise and air quality\*. Risks to the achievement of performance targets should be identified and assessed.

*\* Bidders should note that performance targets related to National Highways’ carbon emissions are not included within the scope of this commission and are the subject of a separate workstream.*

#### LOT 5: Economic advice

##### Objectives

LOT 5 includes the provision of economic advice to support ORR’s Efficiency Review. The primary requirement relates to National Highways’ approach to quantitative risk assessment.

ORR may extend the scope of this LOT in response to the plans put forward by National Highways. Relevant tasks may include advice on inflation, efficiency and cost benchmarking. Bidders should price only for the requirements described below.

##### Requirements

Consultants should review National Highways’ approach to financial risk and uncertainty for RIS3. This will focus on cost risk allowances and related risk modelling for enhancement projects and capital renewals.

The review should focus on the methodologies employed by National Highway. It is not intended to judge the appropriateness of risk allowances (for example, expressed as a p-value) for any given project or for National Highways’ plans overall. However, comparisons of the overall level of risk funding against relevant benchmarks (such as benchmarks for risk allowances as a proportion of total cost) would be within scope.

The review should document National Highways’ overall approach to risk for RIS3, including:

* + - * + how risk is considered and modelled in project-level cost estimates;
        + how risk is considered and modelled at a programme- or portfolio-level, including, for example, the treatment of correlated risks across projects; and
        + proposals for how risk budgets, allowances and/or contingencies will be held and managed at various levels.

Based on the above, the review should consider risk funding embedded within ‘core’ expenditure lines and projects as well as centrally-held risk allowances. It should establish the types of risk held at each level. This will include, but is not limited to, inflation risk. Consultants should comment on the appropriateness of National Highway’s approach to setting risk allowances for projects at varying stages of development.

The review should provide ORR with a clear understanding of National Highways’ approach to estimating confidence intervals, or p-values, for proposed funding levels. This may necessitate more detailed review of modelling or supporting analysis.

Consultants should comment on the overall maturity of National Highways’ approach with reference to good practice examples from other regulated infrastructure managers and delivery bodies.

#### Contract Management Requirements

Separate inception meetings will be arranged for each LOT. These will be held via MS Teams.

During the project, we would expect to hold progress meetings on at least a fortnightly basis via MS Teams. For the period of the Efficiency Review itself, the frequency of meetings is likely to increase to weekly. Consultants should provide a brief emailed progress report in advance.

Additionally, key staff (e.g. project manager / project director) are required to attend a half day‑ briefing and mobilisation workshop. This event forms an important part of our planning and will provide an opportunity for the teams delivering each of the LOTS to meet ahead of the Efficiency Review and to identify any inter-relationships between the various LOTS.

### 2.4 Project timescales and deliverables

The Efficiency Review will commence on receipt of National Highways’ Draft SBP. At this stage, we expect, that it will take place over a circa four month period from January 2024. However, timescales are subject to change and therefore the consultants must be able to work flexibly and responsively. Given the limited timeframe for analysis and scrutiny, we anticipate a need for intensive activity during this period.

The programme includes a short period for mobilisation and preparation ahead of the Efficiency Review itself.

The provisional project timetable for all LOTS is as follows:

* + - * + Start up meeting and commencement 04 December
        + Mobilisation and planning workshop w/c 11 December
        + Weekly/fortnightly updates on progress and any issues
        + Presentation of initial findings during w/c 29 January 2023 (or as agreed)
        + Presentation of draft findings during w/c 11 March 2023 (or as agreed)
        + Draft report by w/c 25 March 2023 (or as agreed)
        + Final report by the 29 April 2023 (or as agreed)

Reports should be prepared in Microsoft word (or equivalent). They should set out the consultant’s findings and the evidence upon which these are based. Reports should be written for a non-technical audience. Technical information should be included in an appendix. Reports will be published at the conclusion of the RIS3 process. Consultants should adhere to: [Guidelines for writing accessible reports for ORR - Guidance for external suppliers | Office of Rail and Road](https://www.orr.gov.uk/media/23638)

### 2.5 Budget and Payment Schedule

The maximum budget for this piece of work is £340,000 (inc. of expenses, exc. of VAT).

* + - * + LOT 1 – Operations, maintenance, renewals and digital - £100,000
        + LOT 2 – Enhancements - £70,000
        + LOT 3 – Safety - £50,000
        + LOT 4 – Environment - £60,000
        + LOT 5 – Economic Advice - £60,000

Payment schedule:

50% on delivery and acceptance of draft report

50% on delivery and acceptance of 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.

The consultancy should note that Highways England will require a confidentiality agreement in relation to any of its confidential information that is disclosed to the consultancy and the outputs this generates. The onward disclosure of such information by the consultancy (other than to DfT or ORR) will usually require approval in writing from Highways England. The fact that the consultancy has been engaged by ORR on this contract is not of itself confidential information although the content of any information, findings, data, analysis or reports prepared for ORR by the consultancy, and which includes any of the confidential information, is.

#### Sub-Contractors

Contractors may use sub-contractors subject to the following:

* + - * + That the Contractor assumes unconditional responsibility for the overall work and its quality;
        + That individual sub-contractors are clearly identified, with fee rates and grades made explicit to the same level of detail as for the members of the lead consulting team.

Internal relationships between the Contractor and its sub-contractors shall be the entire responsibility of the Contractor. Failure to meet deadlines or to deliver work packages by a subcontractor will be attributed by ORR entirely to the Contractor.

#### Conflict of Interest

At 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.

## Tender Response and Evaluation Criteria

### 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:

* 1. **Understanding of customer's requirements**

Demonstrate an understanding of the requirement and overall aims of the project

* 1. **Approach to customer's requirements**

Provide an explanation of the proposed approach and any methodologies

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

Compliance with any security requirements outlined in the SOR, including details of accreditation for systems (e.g. ISO27000, Cyber Essentials) etc.

What support bidders will require from ORR

* 1. **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)

Some relevant examples of previous work that bidders have carried out (e.g. case studies)

* 1. **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.

* 1. **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.

### 3.2 Evaluation Criteria

Tenders will be assessed for compliance with procurement and contractual requirements which will include:

* + - * + Completeness of Selection Questionnaire
        + 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.

The contract(s) will be awarded to the bidder(s) submitting the **‘most economically advantageous tender’** for each LOT. For all LOTS, tenders will be evaluated according to weighted criteria as follows:

#### Selection Questionnaire (Pass/fail)

The Selection Questionnaire is a self-declaration and not scored (it is pass/fail).  Evidence will only be called upon when the winning bidder has been identified.  If evidence is not provided upon request and without delay, we reserve the right to amend the contract award decision and award to the next compliant bidder.

In relation to the Economic and Financial Standing section of the SQ, ORR may review the accounts (or other supplied information) to determine the perceived level of financial risk. This review may include obtaining credit reports, applying ratios and a general review of your accounts. If there are concerns over the bidders’ financial capacity then ORR may seek additional measures to be put in place by the successful bidder prior to entering a contract (e.g., Parent Company Guarantee, Bond of Guarantee etc.).

### Quality

The quality aspects of this tender shall consist of methodology, delivery and experience and shall be broken down as follows:

#### Methodology (40%)

The proposal(s) should set out the methodology by which the project requirement will be initiated, delivered and concluded. In particular, it must:

* 1. Explain the methodology and delivery mechanisms to ensure that the requirements of this specification are met in terms of quality;
  2. Explain how your organisation will work in partnership with ORR’s project manager to ensure that the requirement is met
  3. Explain how your organisation will engage with external stakeholders;
  4. Outline how the proposed approach utilises innovative consultation methodologies to develop a diverse and comprehensive evidence-base

#### Delivery (20%)

The proposal should set out how and when the project requirement will be delivered. In particular, it must:

* 1. 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;
  2. Demonstrate an understanding of the risks, and project dependencies and explain how they would be mitigated to ensure project delivery;
  3. Explain the resources that will be allocated to delivering the required outcomes/output, and what other resources can be called upon if required.

#### Experience (20%)

The proposal should set out any experience relevant to the project requirement. In particular, it must:

* 1. Provide CVs of the consultants who will be delivering the project

### Price

#### Cost / Value for money (20%)

For each LOT that you are tendering against, please provide a **fixed fee** for delivery of that requirement (inclusive of all expenses), including a **full price breakdown for each stage of the requirement** and details of the **day rates** that will apply for the lifetime of this requirement.

| Name of consultant | Grade | Role | Day rate | Number of days | Total cost (ex VAT) |
| --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |

Please note that consultancy grades should align with the following definitions:

| 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

For each LOT the Quality shall be scored using the following:

|  |  |  |
| --- | --- | --- |
| **Table of Evaluation Methodology and Marking Scheme for Quality Criteria** | | |
| **Score** | **Category** | **Definition (Explanation)** |
| 0 | Unacceptable | Unanswered or totally inadequate response to the requirement. Complete failure to understand/reflect the core issues. Fails to demonstrate an ability to meet the requirement. |
| 1 | Poor | Minimal or poor response to meeting the requirement, with little or no relevance. Limited understanding misses some aspects.  The response addresses few elements of the requirement and contains insufficient/limited detail or explanation to demonstrate how the requirement will be fulfilled. |
| 2 | Fair | Response is mostly relevant, but elements of the response are poor. The response addresses most elements of the requirement but contains limited detail or explanation to demonstrate how some of the requirement will be fulfilled. |
| 3 | Acceptable | Response is relevant and acceptable. The response addresses a broad understanding of the requirement but lacks details on how the requirement will be fulfilled in certain areas. |
| 4 | Good | Response is relevant and good. The response is sufficiently comprehensive to assure and demonstrate a good understanding, also providing much detail on how the requirements will be fulfilled. |
| 5 | Excellent | Excellent response fully addressing the requirement and providing significant additional evidence of how the criterion has been met and how value would be added  The response is comprehensive, unambiguous and demonstrates a thorough understanding of the requirement and provides details of how the requirement will be met in full. |

Where a score of Unacceptable (0) is allocated to any single question the bid shall be deemed non-compliant.

#### Quality Evaluation

Your responses to the Quality aspects will be independently assessed using the marking scheme and the award criteria set out in this ITT. Each evaluator shall score and provide a reason for their score against each aspect they are assessing.

Once the evaluators have independently assessed your answers a consensus meeting shall be convened to reach a consensus score for each aspect. At this meeting, the evaluators will discuss the responses and review their scores and reasons for that score with the aim of reaching a consensus.

All tenders passing the Quality Evaluation shall proceed to the Price Evaluation.

#### Price Evaluation

For each LOT the following Price evaluation shall apply:

* + - * + The lowest fixed fee will be awarded the maximum price score of 100.
        + All other bidders will get a price score relative to the lowest fee tendered.
        + The calculation we will use to calculate your score is as follows:

Price Score = Lowest Total Fee x 100

Bidder’s Total Fee

Your score will then be multiplied by the weighting we have applied to this aspect of the price evaluation to provide a weighted score for Price. Any price which exceeds the maximum budget(s) as indicated in section 2.5 shall be deemed non-complaint and shall not be scored.

##### Total Score

The total score for each LOT shall be calculated by adding the Quality and Price scores. The bidder achieving the highest compliant total score will be deemed MEAT (“the winner”) and shall proceed to contract award.

Where the final score achieved by multiple bidders ranks them in equal position the bidder achieving the highest weighted Quality score will be deemed MEAT. Where bidders have an equal Quality score, the bidder scoring highest in Methodology will be deemed the winner. If this remains an equal score, then the bidder scoring highest in Delivery will be deemed the winner.

##### Contract Award

**Winning multiple LOTS**

Where a bidder is deemed MEAT in more than one LOT a single Form of Agreement shall be issued reflecting all the necessary requirements and bid information of each LOT.

##### Standstill period

The term Standstill Period is set out in the Public Contract Regulations 87(2).

Intention to Award letters shall be issued to all bidders and a Standstill Period of ten (10) calendar days will commence. In accordance with PCR2015, the letters shall provide bidders with the outcome of the evaluation including scores and supporting narrative, as well as the relative merits of the winning bid.

Following the Standstill period, and if there are no challenges to our decision, the successful bidder(s) will be formally awarded a contract.

##### Debrief

The Intention to Award letters shall contain all the debrief material. Bidders may seek clarification of the content, however no additional debriefs, including telephone or face to face, shall be offered.

## Procurement Procedures

### Tendering Timetable

The timescales for the procurement process are as follows:

| Element | Timescale |
| --- | --- |
| Invitation to tender issued | 28 September 2023 |
| Deadline for the submission of clarification questions | 20 October 2023 midday |
| Deadline for submission of proposals | 30 October 2023 midday |
| Notice of decision to award a contract | 20 November 2022 |
| Standstill (finish) | 30 November 2023 |
| Contract award | 01 December 2023 |
| Project Inception Meeting | 04 December 2023 |

### 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 shall not be accepted.

The tender shall consist of three envelopes and bidders must submit the correct documents to the correct envelope as set out below:

* **Qualification Envelope:** Selection Questionnaire, Form of Tender and Disclaimer
* **Technical Envelope:** Quality response (Methodology, Delivery, Experience)
* **Commercial Envelope:** Price

Bidders may bid for one, multiple or all LOTS. With the exception of the Selection Questionnaire, bidders must submit one single, comprehensive submission for each LOT they are bidding against. For the Selection Questionnaire a single copy may be supplied in any single LOT they are bidding for and does not need to be duplicated across other LOTS they are bidding against. To further limit the administrative burden, bidders may copy relevant information that applies to more than one LOT (e.g. project plan, skills, experience etc). ORR would welcome bids from consortia of consultants across multiple LOTS.

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: [Guidelines for writing accessible reports for ORR - Guidance for external suppliers | Office of Rail and Road.](https://www.orr.gov.uk/media/23638)

#### 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.

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.

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:

| Para. No. | Description | Applicable exemption under FOIA 2000 |
| --- | --- | --- |
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