**Specification for the provision of research on UK manufacturing opportunities of moving to a low-carbon economy**

Tender Reference Number: TH [2]/10/16

**Specification of Requirements**

Invitation to Tender for the provision of research on UK manufacturing opportunities of moving to a low-carbon economy

Tender Reference Number: TH [2]10/16

Deadline for Tender Responses: Noon, 14th November 2017

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# Preamble

The Committee on Climate Change (CCC) was set up as part of the Climate Change Act. 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. CCC’s past reports are available here: <http://www.theccc.org.uk/reports/>.

# Background

*The Committee’s advice on competitiveness*

The Committee on Climate Change (CCC) was established under the Climate Change Act to advise Government on a range of issues, including setting legally binding carbon budgets for consecutive five year periods, beginning in 2008, and a target for emissions reductions in 2050. The Climate Change Act requires the CCC to take into account:

*‘economic circumstances, and in particular the likely impact of the decision on the economy and the competitiveness of particular sectors of the economy’*

In the CCC’s 2013 publication ‘Managing competitiveness risks of low-carbon policies’[[1]](#footnote-1) the Committee stated that a move to a low-carbon economy will create new markets for some products from the energy-intensive sectors, both at home and abroad. For instance, our analysis suggested there could be higher demand for some energy-intensive products supplied to the power sector, where low-carbon generation sources (e.g. onshore and off-shore wind turbines, nuclear and CCS) contain more embodied iron, steel and cement compared to conventional gas power plants.

The 2013 report also highlighted that the UK has a comparative advantage in some key low-carbon technologies. Parts of heavy engineering and construction, as well some energy-intensive sectors such as parts of chemicals and plastics, could contribute to low-carbon power and heat sector supply chains. Some energy-intensive industries have already developed new low-carbon technologies and processes which make them well placed to compete in new markets on the path to a low-carbon world (e.g. low-temperature detergents, low-resistance tyres and lightweight materials in aircraft and cars).

The CCC will be updating its Energy Prices & Bills assessment in early 2017. Along with this it will update its assessment of the opportunities that transitioning to a low-carbon economy could provide for UK manufacturing sectors.

# Aims and Objectives

The project has three main aims:

1. **Assess current size and importance of the UK low-carbon economy.** The contractor will be asked to produce and description of the low-carbon economy in the UK today, the size and composition of the low-carbon market in the UK and internationally, and the share of these markets taken by UK suppliers. The contractor should recommend a set of indicators of UK performance that the CCC can update and monitor in the future.
2. **Assess what new materials, goods and services will be needed in transitioning to a low-carbon global economy and where the UK is best placed to supply these new markets.** Create a narrative of what will need to be produced for a low-carbon economy. This could be based on specific examples from CCC climate change mitigating and adaptation scenarios. Based on existing research and engagement with leading experts, assess where the UK has a comparative advantage in producing the materials/goods/services needed for the world transitioning to a low-carbon economy.
3. **Assess nature and scale of** **barriers for UK firms to develop in these new markets and where government policy could play a role.** Based on existing research and leading experts, set out specific barriers faced by UK firms in supplying the low-carbon economy and any high level conclusions on the role of government to help overcome these barriers.

# Methodology

Bids should set out separate pricing for each task/sub-task. Proposals from individual parties and consortia bids would both be welcomed.

Consultants should outline their understanding of the brief; if there are significant issues which are seen as important to our objectives but which are currently missing, then this should be highlighted, and set out alongside a proposed approach for how these will be addressed.

We envisage that the work will involve the following tasks:

1. Assess current size and importance of the UK low-carbon economy.
	* The CCC would like to be able to describe and monitor the size/importance of the low-carbon UK economy.
	* Contractors should suggest how to approach the definition of the low-carbon economy, which should consider elements of production focusing on mitigating and adapting to climate change. This may include a range within the definition.
	* This will require the contractor to review published statistics and other sources to assess the size and composition the low-carbon economy, how many people are employed etc.[[2]](#footnote-2) Contractors are encouraged to suggest other indicators that can be updated by the CCC with published data to monitor UK progress.
	* Output will include a write up of the methodology, sources and justification of conclusions, plus an excel workbook of indicators that can be easily updated, monitored and interpreted by the CCC.
2. Assess what new materials, goods and services will be needed in transitioning to a low-carbon global economy and where the UK is best placed to supply these new markets.
	* The CCC would like to be able to give a clear assessment of what opportunities there may be for UK firms to supply new materials, products and services needed a low-carbon global economy.
	* The contractor will need to develop understand what will be needed in future to transition to a low-carbon and climate change adapted global economy. This could use UK specific climate change mitigation/adaption technology examples from CCC scenarios to 2050.
	* Given the uncertainty the contractor may want to a range of scenarios and split these scenarios into different time periods, such to 2030, 2050 and beyond.
	* The CCC would like to be able to highlight what materials/goods/services the UK is best placed or has a comparative advantage in supplying to UK/overseas markets, and the relative size of this opportunity.
	* This will be based on existing research, but the contractor may want to source judgements from sector/technology experts on what materials/goods will be required, either in interviews or small round-table event. These should all be documented.
	* The output will be a report documenting the methodology, sources, reasoning of judgements made and results for different scenarios. Also an excel workbook with descriptions of the scenarios, results and any quantifications.
3. Assess nature and scale of barriers of UK firms to develop in these new markets and where government policy could play a role.
	* The CCC would like to know if there are any specific barriers to UK firms being in a position to supply the new markets highlighted in tasks 2, and if there is any basis for government intervention. The purpose of this would be to highlight any conclusions that could be addressed by government, including further research.
	* This will be based on existing research, but the contractor may want to source judgements from sector/technology experts on what materials/goods will be required, either in interviews or small round-table event. These should all be documented.
	* The specific output will be a short report, including sources, reasoning for conclusions and suggestions of future work.

# Outputs Required

The key deliverables for this project will be agreed at the project meeting but include a summary report, slides, supporting spreadsheets with clear references, calculations, and links where possible, to sources used for each statistic, and minutes from project meetings.

# Ownership and Publication

The key 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 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 be responsible for quality assurance and ensure that this is done by individuals who were 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)

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.

For primary research, contractors should be willing to facilitate CCC research staff to attend interviews or listen in to telephone surveys as part of the quality assurance process.

# Timetable

The proposed timetable for the project is set out in the following table. The project is expected to kick off mid-November and finish in late January. The research will also be feeding into the main Energy Prices & Bills report which is expected to be signed off by the Committee on the 20th February 2017.

In addition to the formal reporting points, the CCC would expect to have regular scheduled discussions to ensure the work is progressing as expected.

|  |  |
| --- | --- |
| **Date** | **Action** |
| 14th November, Noon | Deadline for response to ITT |
| 18th November | Interviews |
| w/c 21st November | Kick-off meeting (identify key sources of information, agree methodology & timelines)  |
| w/c 12th December | Interim meeting (present and discuss initial results and findings) |
| w/c 2nd January | Final project meeting (present and discuss results and findings) |
| w/c 9th January | Circulate full draft report |
| w/c 23rd January | Final report |

# Challenges

Contractors to consider challenges to the project, to include but not limited to: availability and uncertainty of information and data, developing robust scenarios for the future, and the capacity to complete tasks within timeframe given.

# 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 £30,000 to £50,000 excluding VAT.

Contractors should provide a full and detailed breakdown of costs by task presented here - 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 Department 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 50 pages, excluding declarations. 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.

If the bidder intends to submit a tender to an additional piece of work the CCC invited tenders on *‘competitiveness impacts of carbon policies on UK energy-intensive industrial sectors to 2030’*, then the contractors will have to detail how they have the capacity to complete both pieces of work within the timeline.

**EVALUATION CRITERIA AND SCORING METHODOLOGY**

|  |  |  |
| --- | --- | --- |
| Criterion | Description | Weighting |
| 1 | **RELEVANT EXPERIENCE / DEMONSTRATION OF CABABILITY** | 15% |
| 2 | **MANAGING YOUR RELATIONSHIP WITH THE CCC** | 5% |
| 3 | **QUALITY ASSURING THE SERVICES YOU PROVIDE** | 20% |
| 4 | **PROJECT TEAM – SKILLS AND KNOWLEDGE** | 20% |
| 5 | **METHOD, ABILITY AND TECHNICAL CAPACITY** | 30% |
| 6 | **UNDERSTANDING OF REQUIREMENTS** | 10% |
|  |  |  |
|  | 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 |

**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 three suppliers with the highest marks from the written proposals. Interviews will be held on 18th November 2016. There is no flexibility in the date of the interviews. However, 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. <https://www.theccc.org.uk/publication/carbon-footprint-and-competitiveness/> [↑](#footnote-ref-1)
2. <https://www.gov.uk/government/publications/low-carbon-economy-size-and-performance>, <http://www.ons.gov.uk/surveys/informationforbusinesses/businesssurveys/lowcarbonandrenewableenergyeconomysurvey> [↑](#footnote-ref-2)