**Specification for “****The role of Transition Plans in the UK’s pathway to Net Zero”**

Tender Reference Number: BN/0122

**Specification of Requirements**

Invitation to Tender for “The role of Transition Plans in the UK’s pathway to Net Zero”

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Deadline for Tender Responses: Friday 28 January

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

The Climate Change Committee (CCC) is planning on publishing a report on the role of business in delivering Net Zero in summer 2022. The report will outline the current roles businesses play in shaping the UK pathway to net zero and assess policy levers for accelerating the positive actions businesses can take. It will include an assessment of the UK Government’s plans to require UK listed companies and financial institutions to publish ‘transition plans’.

To inform the CCC’s assessment and recommendations, the CCC is tendering some work to set out what a transition plan should include, to assess the options for monitoring and governing transition plans, and to appraise how transition plans might ensure appropriate emissions reduction ambition. The work is envisaged as a think piece rather than a detailed modelling exercise.

Given timescales for publication, the tendered work needs to be delivered by end of March 2022, at the cost of £20,000 - £30,000 (plus VAT).

# 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, 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 2021.

**The Climate Change Committee’s work in relation to business**

In November 2020, the CCC published a brief on ‘[The role of business in delivering the UK’s Net Zero ambition](https://www.theccc.org.uk/publication/the-role-of-business-in-delivering-the-uks-net-zero-ambition/)’, which set out high level principles for how businesses should manage their emissions in a way that aligns to the Sixth Carbon Budget pathway.

In the 2021 Progress Report, the CCC identified business action as a key driver of progress in reaching net zero, and noted plans in future to help businesses make informed decision in line with Net Zero, and to track how corporate commitments are progressing in the UK.

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

In 2022, the CCC will publish a report on the role of business in accelerating progress to Net Zero. The report will outline the current roles businesses play in shaping the UK pathway to net zero – as emitters themselves, as innovators, as investors and as influencers. It will include an assessment of what policy levers would amplify the positive contribution of businesses to Net Zero, including an assessment of and recommendations for the UK Government’s ambition to require company ‘transition plans’.

**UK Government plan on Transition Plans**

In November 2021 the UK Government announced [plans](https://www.gov.uk/government/publications/fact-sheet-net-zero-aligned-financial-centre/fact-sheet-net-zero-aligned-financial-centre) to make publication of transition plans mandatory. Initially this will be required of asset managers, regulated asset owners and listed companies on a ‘comply or explain’ basis.

Standards for transition plans will be integrated into the UK’s Sustainability Disclosure Requirements. A high-level Transition Plan Taskforce will develop a ‘gold standard’ for transition plans, reporting by the end of 2022.

There is not yet a commonly agreed standard for what a good quality transition plan looks like.

# 3 Aims and Objectives

This project will provide an independent assessment of some of the key considerations and principles which those designing transition plan standards and the accompanying monitoring & enforcement framework should keep in mind. It will set out the evidence on the potential risks and opportunities for the Government to further raise their ambition for transition plans in terms of emissions reduction ambition.

The findings of the project will be published. They will be shared with the Transition Plan Taskforce, and will inform recommendations the CCC makes to Government on transition plans.

The four key questions the project will answer are:

1. Given the current UK and global context, what are the **broad risks and opportunities** presented by the UK Government’s plan to require transition plans? 10%
2. Set out at a high-level the key developments in the last 5 years in relation to business emissions reduction reporting (eg – TCFD, emissions reduction plans, COP26, SDR, SBTis), and how transition plans might relate to these
3. In light of (i), set out the high-level risks and opportunities the UK Government’s plan to require transition plans presents to ambitious climate action, and at a high-level, the conditions required for these opportunities to materialise
4. What could a **high-quality transition plan standard** look like for companies and financial institutions which operate in the UK? 30%
5. For a cross-section of UK sectors/industries, what are some **examples** of good quality transition plans? Insofar as can be identified, how are they aligned with the sixth carbon budget and UK net zero strategy? What gaps are common?
6. What are the key **components** of a good quality transition plan – ie what is the main information it should include? Drawing a distinction where relevant between transition plans for companies and for financial institutions. Components beyond emissions reduction should also be flagged (eg – just transition, growing net zero business areas, adaptation).
7. What **metrics** could be required in transition plans, to allow for standardisation, aggregation and comparability across transition plans?
8. What are the main **mechanisms** that could ensure transition plans have appropriate ambition? 30%
9. How might transition plans be checked for alignment with the UK’s sixth carbon budget and net zero strategy? What would be the potential strengths/complications/limitations of this?
10. How might transition plans be checked for alignment with international net zero pathways (eg from the IEA or IPCC)? What would be the potential strengths/complications/limitations of this?
11. Are there advantages in checking transition plans for alignment with key existing standards (eg – SBTs)? What would be the potential strengths/complications/limitations of this?
12. How might transition plan standards require or indicate certain minimum emissions reduction ambition for listed UK companies, based on characteristics such as size/sector/main source of emissions? What would be the potential strengths/complications/limitations of this?
13. What other mechanisms or approaches could be considered? What are their potential strengths/complications/limitations?
14. What **monitoring, governance and enforcement** should accompany the transition plans requirement? 30%
15. How might data from transition plans be aggregated and what could it be used for?
16. What are the governance options for ensuring raised business ambition in transition plans (eg - a ‘propose and review’ function)?
17. What are the strengths/complications/limitations of the different options for tracking the delivery of transition plans (ie – tracking fulfilment of actions committed to)?
18. Could transition plans be used as a tool for transparency to citizens and consumers, as well as to investors? If so, how might this be achieved?

**Methodology**

We largely expect the methodology to be a combination of literature review, structured stakeholder interviews/surveys and leveraging of existing expertise. **The bid should set out in detail the planned methodology for each Task.**

Below we set out a few specific **suggestions** for what Methodologies for of the Tasks might include. **These suggestions are not comprehensive. We welcome bids that set out alternative and/or augmented Methodologies.**

Throughout a key value-add of these tasks is applying **informed, critical and visionary thinking** to how transition plan structures and standards can best be leveraged to accelerate business emissions reduction. Ultimately, this should result in an output which goes beyond repeating what is already set out in existing publications on transition plans. There should be an equal balance between collecting information/evidence and thinking carefully and creatively about options.

**Task 2** might include (but not be limited to) selecting a range of company emissions reduction plans that span key sectors, and liaising with the CCC on key elements of the Sixth Carbon Budget, e.g. as set out in the CCC report ‘The Role of Business in Delivering Net Zero’ and the UK Government’s Net Zero Strategy. The supplier could then use this information and existing expertise to assess how the key elements could be included in transition plans (eg – dates for switch to clean heating; renewable energy; EVs; approach to offsets etc).

The approach to Task 2 might include consideration of whether/how to capture (i) the level of delivery risk inherent in a business’s transition plan and (ii) the balance between significant emissions reduction versus offsets/investment in new technology.

**Task 4** might include (but not be limited to) summarising the governance, monitoring and data comparability approaches used in comparable schemes and policies (eg – NDCs, ESG data, diversity and inclusion data, TCFD, ESOS, similar requirements in other countries and others), and how we might apply lessons from these to transition plans. It might take into consideration the expectation that transition plans will refresh and iterate over time (eg – to become more ambitious, reflecting current science etc).

# Outputs Required

The outputs of the work should include:

* A **report**, setting out the outputs from each of the Tasks/research questions .
  + The report should be clearly formatted and easy to comprehend
  + At the top it should pull together the main recommendations and conclusions for what a transition plan/transition plan standard should include. This might include **a mock-up outline transition plan**, with key components and metrics.
  + It should then present the key findings of each of the 4 Tasks in turn in an accessible way, each comprising c.3-5 pages, with a summary at the top of each section. It should make clear at a high-level any key limitations or assumptions linked with the findings
  + An annex listing the sources that have informed the work (c. 1 -2 pages)
  + A table outlining any remaining evidence and knowledge gaps in relation to the questions/tasks (c. 1 page)
* If possible a **slide pack** with the key findings and recommendations, which can be used by the CCC to present the findings of the project to internal and externa stakeholders

**If** excel workbooks are used these should be shared, fully unlocked and linked to rest of the excel workbook deliverable above, allowing future capability to update assumptions. They should be clearly set out and formatted, maximising ease of future use and reference for users not directly involved in the work.

We envisage that bidders may need to make use of pre-existing knowledge or data to enable delivery and welcome this. However, this should not limit the transparency of approaches used in this project and the written report should be provided such that any findings/graphs included are in a publishable format. In the event of any limitations on sharing (e.g. in wider sharing beyond the CCC), these should be specified as part of the tender.

In addition to the above, we also expect interim/draft deliverables to be produced, in particular (1) where necessary, a presentation to inform fortnightly updates on progress (2) a draft version of the report in March. See Section 8 for details.

# Ownership and Publication

The key deliverables will be handed over to the CCC. We anticipate we will publish the report on our website, and/or use the findings in a future CCC published report on the role of business in accelerating UK progress to Net Zero.

**If** excel workbooks are used, they 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[[1]](#footnote-1) and bidders must set out their approach to quality assurance in their response to this ITT.

All research tasks 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 timetable for the project is set out in the following table. There is flexibility on the specific days for kick-off meeting, interim presentation and delivery of the near-final report, but the ultimate deadline for the final outputs is 31st March, and the presentation to the CCC must be on one of the two dates specified below.

|  |  |
| --- | --- |
| **Date** | **Action** |
| Thurs 3rd Feb/Fri 4th Feb | Kick-off meeting |
| Thurs 3rd March/Fri 4th March | First interim presentation/draft report on findings |
| Weds 23rd March | Delivery of near-final report |
| Thurs 31st March | Latest date for delivery of final report and any other outputs |
| Fri 11th March OR Fri 8th April | 45-minute presentation to the Committee on Climate Change (CCC) on key findings and recommendations |

In addition to the formal reporting points, the CCC would expect to have brief regular scheduled discussions (fortnightly 30 minutes calls) to ensure the work is progressing as expected and to agree an approach to any unexpected challenges that arise.

# Challenges

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

* Developing principles and considerations for transition plans which are meaningfully and **add to the public knowledge base (rather than only reiterating high-level agreed principles)**
* Developing an evidenced view on transition plan standards and monitoring/enforcement despite limited consensus and literature on transition plans specifically

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

The successful contractor will be expected to identify one named point of contact 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.

# Ethics (amend to suit or delete if not applicable)

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 contact 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 £20,000 to £30,000 excluding VAT.

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 between 10 - 35 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 | 20% |
| 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 | 20% |
| 7 | UNDERSTANDING OF REQUIREMENTS | 10% |
| 8 | RISK AND CHALLENGES | 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 |

**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 three suppliers with the highest marks from the written proposals. Interviews are provisionally expected to be held on the week commencing 31st January. 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. [Quality Assurance (QA) of Evidence and Analysis (theccc.org.uk)](https://www.theccc.org.uk/wp-content/uploads/2020/04/CCC-%E2%80%93-Quality-Assurance-of-Evidence-and-Analysis.pdf) [↑](#footnote-ref-1)