

Project 1b – Consistent Economic Appraisal Approaches With Respect to the WFD River Basin Management Plans – (draft) Specification

1.0 Background

Defra are promoting a collaborative programme of research on assessing costs and benefits of options in river basin management for implementing the Water Framework Directive. This programme involves many of the major stakeholders in England, Wales, Scotland and Northern Ireland. The total cost of the programme, which is already underway, is estimated to be £1.5 million. Six projects are included in the research programme, of which project 1 is nearing completion and project 2 is now underway.

In addition to Defra the Welsh Assembly Government, Scottish Executive, Environment Agency, English Nature, DTI,, SNIFFER and UKWIR, and the Joint Environment Programme are currently offering funding for the programme, or for specific projects. It is anticipated that other organisations, including industry groups and Non-Governmental Organisations will also make financial commitments. Further organisations are contributing to the programme in kind, including Country Land and Business Association, UK Major Ports Group and the RSPB. The as yet unassigned projects will be assigned by competitive tendering, wherever possible. The processes of inviting tenders and appointing contractors will be managed by Defra, in consultation with its partners on the Programme Steering Group.

2.0 Context

Effective and efficient implementation of measures in River Basin Management Plans require delivery through a wide range of existing planning processes, many of which have stand alone economic and technical appraisal methodologies. Implementing a cross-sectoral cost-effectiveness analysis requires consistency in these appraisal approaches, which may mean they need to be modified or more likely some way of translating the results of one appraisal approach into another will need to be developed. Project 1a identified the main existing plans (though with significant gaps) and in some cases identified the associated options appraisal process. Project 1b needs to build on this work.

3.0 Aim

A comprehensive independent assessment of the consistency of existing economic appraisal approaches, and identified gaps, and how they may need to be adapted and used within the wider Water Framework Directive Programme of Measures process.

4.0 Objectives

The successful contractor will perform the following tasks;

- **Review the risk assessment results**, especially with respect to multiple pressures, to identify the most common situations in which alternative measures might be appraised under different approaches. Identify and scope the main plans relevant to these measures.
- **Identification of the main options appraisal approaches** associated with the different plans. This will specifically identify and take account of those situations where there is no options appraisal approach or ad hoc approaches are used.
- **Identification of experts and negotiation of inputs**. To identify individuals in organisations capable of providing information on the approaches, including views on how they work in practice as opposed to how they work in principle. The task will ensure experts are sufficiently engaged in the process as to provide the necessary information.
- **Development of the criteria for comparing options appraisal approaches**. These criteria will include significant issues such as definition of the baseline, scope of the options being appraised (in relation to POM objectives), treatment of environmental and resource costs etc. The criteria will identify the way in which such issues need to be

treated to ensure a minimum level of comparability between options appraisal approaches.

- **Develop a template for collating information.** This template will be based on the criteria and will in most cases be completed by identified experts rather than the contractors. The template should be designed to elicit qualitative views as well as pre-coded information to facilitate comparison. The template will collate information relevant to establishing a critical path for the different appraisal approaches (how many appraisals over what periods and with what periodicity).
- **Organise distribution, completion and collection of the templates from identified experts.** To plan the work so that there is sufficient time for experts to supply information, which may involve collation of views from several individuals in some organisations.
- **Synthesis of results.** The results of the survey of the options appraisal approaches will be synthesised for summary reporting. Reporting should be concise to facilitate high level decision making by the Programme Steering Group.
- **Suggestions for adaptations** to options appraisal approaches or ways of integrating the outputs of approaches to facilitate the cross-sectoral cost-effectiveness analysis.

5.0 Method

Project 1b will take place largely through a targeted survey of experts involved in the options appraisal approaches (or the planning where no formal options appraisal is undertaken). This is not a literature survey, and the contractors input will be largely restricted to the collation of views of experts involved in the options appraisal processes and not third parties. In some cases where no expert is available an alternative method will need to be found of collating the information. Such cases will need to be discussed on an ad hoc basis. In addition to the survey a gap analysis is required in order to develop the criteria and the survey instrument.

6.0 Output Requirements

To be delivered no later than the final date for the completion of the contract, as specified in section 4.0;

- The main output will be a short synthesis report of no more than thirty pages. The report will include suggestions on adaptations, which include details such as who should be responsible for the changes and when they need to be applied.
- Short summaries of the information on each of the options appraisal approaches, presented in a consistent format.

Draft versions of these are to be delivered no later than three weeks before the final date for the completion of the contract, as specified in section 8.0.

7.0 Quality Assurance

The draft outputs will be peer reviewed by a suitable panel selected from the programme's peer review pool. The comments received at this stage shall be fed back to the contractors for consideration prior to the delivery of an agreed final output.

8.0 Timetable and Milestones

A set of major milestones for the research is given below, together with dates by which each milestone must be reached. The successful tender will have included a detailed timetable of events that will ensure these milestones are achieved to schedule, with definite dates for each milestone. Any subsequent variations to the Contractor's timetable are subject to the Client's written agreement.

Milestone	To be completed no later than
Acceptable draft final report	7 October 2005
Agreed final report	28 October 2005

9.0 Monitoring Arrangements

Client's contact point

- Day-to-day contract management of the project will be the responsibility of the collaborative research programme steering group. The project manager/executive will be Tom Griffiths (<mailto:tom.griffiths@wales.gsi.gov.uk>).
- The project manager/executive will be the main point of contact for the contractor during the course of the contract.

Contractor's contact point

- The contractor shall appoint a project manager, who will be responsible for the running of the contract.
- Upon award of the contract, provision for regular progress reports to the client will be made. Contact should be made on at least a monthly basis to discuss any issues that may arise and actions that need to be taken to resolve problems. This should be considered a two-way exchange of information.
- More frequent contact may be required at certain stages of the contract.

10.0 Tender Content

Prospective contractors must supply the Department with details of how they will undertake the proposed programme of work, including a breakdown of the content of the work. The costs must list separately staff costs including individual rates and estimated man-day inputs, travel and subsistence, materials, sub-contracts and reports. This information must be provided in respect of any sub-contractors who will be employed for the purposes of this contract. The tenderer must also state whether VAT is applicable.

Prospective contractors must provide a timetable for the completion of the contract. Prospective contractors must provide CV's of all staff who will be engaged in the contract and evidence of accomplishments in related areas.

It is anticipated that the prospective contractor will need to deploy a team of staff that can demonstrate knowledge and experience of the following subjects:

- Recent and relevant multi-disciplinary project management experience.
- Economic expertise is essential, especially in the field of appraisal techniques.
- A good understanding of the Water Framework Directive.
- Experience and knowledge of water ecology and the environment is desirable.

Contractors must supply details of the quality control procedures, together with details of past work undertaken in this area. This information must be provided in respect of any sub-contractors who will be employed for the purposes of this contract.

Prospective contractors must declare any conflict of interest in this area of activity.