

Section 3 Specification

Ref: 14048

Title: Developing Methodologies to Assess Costs & Economic Impacts Even Handedly for the Main Types of Measures Across the Main Sectors

1. Background

The Department for Environment, Food & Rural Affairs (Defra) and the Welsh Assembly Government (WAG) have the responsibility for undertaking the economic analysis (including the CEA) for England and Wales respectively. SEPA and the Department of the Environment Northern Ireland (DOENI) are leading on the economics analysis in Scotland and Northern Ireland respectively.

The Environment Agency, the Scottish Environment Protection Agency (SEPA) and the Environment and Heritage Service (EHS) are the competent authorities for preparing River Basin Management Plans (RBMPs) for the WFD in England and Wales, Scotland and Northern Ireland respectively.

A UK-wide Economic Steering Group (ESG) is overseeing the economic analysis. This group includes members from Defra, the Scottish Executive, Department of the Environment Northern Ireland and relevant agencies, including the Environment Agency and SEPA. In addition Economic Advisory Stakeholder Groups (EASG) have been set up for England and Scotland. Due to the need for a common approach across all parts of the UK this study has a UK focus.

Further background information on the implementation of the Water Framework Directive (WFD) in England and Wales is available from the Defra website:

<http://www.defra.gov.uk/environment/water/wfd/index.htm>

Member States, working with the European Commission, have provided non-binding guidance (known as the WATECO Guidance) on economic analysis for implementing the WFD, which specifies the key steps of cost-effectiveness analysis. This guidance, together with related material, is available at:

http://forum.europa.eu.int/Public/irc/env/wfd/library?l=/framework_directive/guidance_documents/economic_wateco&vm=detailed&sb=Title

This project is part of a Collaborative Research Programme (CRP) *Assessing costs and benefits of options in River Basin Management (RBM) for Implementing the Water Framework Directive (WFD)*, which will run from April 2004 to March 2007. This collaborative Programme involves Defra, Scottish Executive, the Environment Agency, SNIFFER, SEPA, English Nature, DTI and UKWIR. It is administered by the Environment Agency. The outline of the CRP is attached.

The Programme has the following six sequential projects:

1. Developing a better understanding of how economic analysis can best be used to support the decision making processes leading to the selection of measures to be included in the Programme of Measures
2. Determining how to assess costs and economic impacts for each of the distinctly different sectors for which control measures will need to be appraised in RBMPs (agriculture, water industry etc).
3. Scoping and characterising the potentially disproportionate costly cases in RBMPs and the main gaps in information on valuation of environmental benefits so as to draw up an appropriate process for assessing them.

4. Undertaking focus group analyses to clearly specify the environmental benefits of concern in the cases identified in Project 3.
5. Developing, and trailing, guidance on benefits assessment for RBMPs
6. Carrying out original surveys to provide new and better valuations of the major environmental benefits of RBMPs.

The Collaborative Research Programme (CRP) will include review workshops with stakeholders and experts in Autumn 2004, end 2005, Summer 2006 and Feb 2008 to review the findings of the work and refine the next steps. However, the timetable for the Programme may be refined in the light of the critical path analysis provided in Project 1.

This project is part of project 2 in the CRP. It will build on a scoping study by RPA entitled *Cost Effectiveness Analysis (CEA) and Developing a Methodology for Assessing Disproportionate Costs* that Defra commissioned in 2003/4. See the link:

www.defra.gov.uk/environment/water/wfd/economics/index.htm

The aims of the study are to scope out and outline methodologies for conducting the cost-effectiveness analysis and make recommendations on their implementation. This project will build on the recommendations in the scoping study including in particular the technical definitions of costs.

The RPA study proposes an iterative CEA process. It involves the following steps:

- 1) Technical screening of measures: producing feasible measures to be appraised.
- 2) Estimation of the costs of the measures and economic impacts of the measures.
- 3) Prediction of the potential effectiveness of the measures across the pressures that need to be dealt with.
- 4) Using the outputs of 2 and 3 above assess the cost-effectiveness of measures so that the most cost-effective programme of measures can be derived.

Two iterations of the 'process' are proposed. In the preliminary CEA (the first iteration) only approximate costs of measures are to be used to appraise approximately and screen options so as to draw up a draft POMs. In the site specific cost-effectiveness analysis (the second iteration) more site-specific costs are needed. This will require the use of proformas for the reporting of cost estimates by the industries concerned.

The rationale for undertaking an initial preliminary CEA is that it reduces the number of potential measures to be considered in the second more detailed iteration, which is likely to entail expensive cost data collection and scrutiny. It also provides bench marks with which to compare the costs collected from stakeholders in the second iteration.

This study will draw on available information on costs of WFD measures in both UK and EC. Below is a link to a study/handbook prepared by Ecologic in collaboration with the Institute of Water Resources Research and Management at the University of Kassel, "*Basic principles for selecting the most cost-effective combinations of measures for inclusion in the programme of measures*". This study sets out guidelines for CEA.

<http://www.ecologic.de/modules.php?name=News&file=article&sid=847>

2. Project Details and Phases

The project is split into three phases: In Phase 1 the consultants shall develop the cost estimation methodology; in Phase 2 they shall apply this methodology to derive approximate cost estimates for the preliminary CEA; and in Phase 3 they shall develop tailored proformas for each sector.

Consultants are asked to tender for Phase 1 only. Once Phase 1 is completed Phase 2 will go out to tender. The results and recommendations from Phase 1 will define the scope of Phase 2.

Only approximate cost data will be collected for the preliminary CEA, which will be undertaken by the Agencies in 2006 to derive an initial draft POMs. The cost data and the data relevant to the effectiveness assessment are being assessed and collected separately and then brought together to assess cost effectiveness. Running concurrently with this project is Project 2a: *Developing a Methodology to Determine the Effectiveness of Combinations of Measures for WFD* (the Specification will follow shortly as Appendix B. This will be for information only) for project 2a will be completed shortly and will be e-mailed to consultants). The consultants shall liaise closely with the consultants undertaking Project 2a and with EA/SEPA's policy and technical teams to ensure integration with work on effectiveness and to ensure that these technical teams can use the findings from this study.

In addition, the consultants shall review and define completed and on-going work on the costs of WFD measures. They will therefore liaise closely with Ofwat, DTI and other collaborators and stakeholders engaged in such work on costs.

3. Research Objectives of Phases 1, 2 and 3

Overall and specific objectives of phases 1,2 and 3 are detailed below. Section 4 and section 5 contain details of the specific tasks of phase 1 and phase 2 respectively.

Overall objective of Phase 1

To achieve the WFD's environmental standards the River Basin Districts (RBD) will need to implement River Basin Management Plans (RBMPs). The RBMPs will detail a POMs to be undertaken by distinctly different sectors (water industry, agriculture etc.) with different abilities to pass on costs. The cost effectiveness of these measures will need to be appraised. To aid this process the consultants for this project will develop an appropriate methodology for an even-handed assessment of the costs and economic impacts of the main measures across the different sectors.

The methodology developed also needs to be applicable in the second iteration of the CEA. needs to be consistent with the Treasury's Green Book. See the below link to the Treasury website:

http://www.hm-treasury.gov.uk/Economic_Data_and_Tools/greenbook/data_greenbook_index.cfm

Specific objectives of Phase 1

The consultants shall:

- Characterise measures distinguished and described by their key features that affect how to assess their costs (Task 1 section 4).
- Liaise closely with the Agencies' technical teams and the Project 2a consultants to ensure that the outputs of the cost assessment work are in a form that can be used when carrying out their cost-effectiveness analysis (Task 2 section 4).
- Consult stakeholders (industry representatives) on the specification of the costs and economic impacts of the main measures about which they are most concerned (Task 3 section 4)
- Review the available data on costs of these measures to identify the major gaps (Task 4 section 4).

- Develop a peer reviewed practical methodology for deriving pollution abatement cost functions for estimating the financial and economic costs for each of the main types of measures across the main sectors (Task 5 section 4).
- Organise and participate in a workshop to develop a cost effectiveness methodology. The consultants for Project 2a will also be participating (Task 6 section 4).
- Organise the testing of the cost effectiveness methodology using virtual analyses and pilots in the Ribble catchment and two further catchments including one in Scotland (to be specified by SEPA). The consultants from Project 2a will collaborate in the testing (Task 7 section 4).
- Scope the requirements of a database to collate and store the cost data (Task 8 section 4).
- Scope out the potential role of approximate/nationally derived cost information (Task 9 section 4).
- Organise a workshop to peer review the methodology and method for collating the cost estimates for their practical use for POMs (Task 10 section 4).

Overall objective of Phase 2

The consultants shall use the methodologies developed in Phase 1 above to provide estimates of approximate benchmark costs of the main measures across the main sectors. The outputs of this phase will input into the preliminary CEA.

Specific objectives of phase 2

The consultants shall:

- Develop guidance for EA and SEPA non-economists on how to apply the cost estimates for the preliminary CEA methodology set out in Phase 1 as part of the preliminary CEA (Task 1 section 5).
- Organise and carry out training workshops for EA and SEPA non-economists to apply the guidance (Task 2 section 5).
- Use the specifications outlined in Phase 1 to develop a database for collating the cost estimates, which can be readily used by the Agency's technical teams (Task 3 section 5).
- Use the methodologies developed in Phase 1 to collate the existing cost data and derive new 'fit for purpose' cost functions to fill the gaps in cost data identified in Phase 1. This process will involve consulting industry representatives. Store the cost data in the database. This shall input into the preliminary CEA (Task 4 section 5).

Overall Objective of Phase 3

The consultants shall develop peer reviewed tailored proformas for deriving and presenting specific cost estimates for each sector.

Key specific objectives of Phase 3

The consultants shall:

- Develop tailor made proformas for each sector or for agents who are deriving costs on behalf of sectors, that will ensure cost assessments across sectors are sound and comparable
- Pilot trials of the proformas for the key sectors.
- Organise a workshop to discuss and review the findings

4. Programme of Work for Phase 1

Specific Tasks

Task 1: Characterise groups of measures.

This work will build on the RPA study and the Agency's study on decision-making processes (Project 1 in the CRP). Annex A provides an initial list of measures that build on the list in the RPA report and includes additions by technical experts in the Environment Agency. It will be revised in light of the findings of Project 1, which the Agency will complete in October 2004. Consultants and stakeholders may add to this list.

The consultants shall take this list and characterise groups of measures distinguished and described by their key features that affect how to assess their cost. They will complete this task and report on it in the inception report due 8th Nov 2004.

Task 2: Assess users needs for cost data

The consultants shall ensure the work on costs links with the effectiveness work and is clearly geared to the needs of technical users in the Agencies. They will use the same list and specification of measures (see Annex A) being examined by the effectiveness work (Project 2a). The consultants shall liaise with the Agencies' technical teams to specify how the technical teams will use the cost data in carrying out their cost-effectiveness analysis to draw up a POM. Questions such as what sort of cost data they need and how it should be stored and presented shall be addressed.

Task 3: Stakeholder consultation

The consultants shall consult with stakeholders to specify their views/concerns on the costs and impacts of the main measures and to seek their expert views on appropriate forms for the cost functions for their sectors. The Project Steering Group shall provide the consultants with a list of stakeholders. At this stage the stakeholders will include industry representative organisations not individual firms. The consultants shall organise stakeholder views/concerns into a coherent set of costs and impacts avoiding double counting and omissions.

This stage of the consultation will consist of face to face meetings with groups of sector representatives. The consultants shall organise and facilitate the meetings and write a short note summarising the findings and their implications for the rest of the project. This report shall be circulated to members of the Project Steering Group and peer reviewers for comment.

Task 4: Review of previous work on costs

The consultants shall review the availability of cost data from existing work in the UK and the EC; in particular IPPC, the German study cited above, current and recent work on the costs of agriculture and water industry measures. This review should identify the key gaps in cost data for the measures identified (from Task 1).

Task 5: Develop a peer reviewed practical methodology for estimating costs

The consultants shall develop a peer reviewed practical methodology to derive pollution abatement cost functions for estimating the financial and economic costs, and the distribution and incidence of these costs, for each of the sectors concerned for each of the main types of measures. They shall address the types of impacts identified by stakeholders in Task 3.

The basis of the methodology is the outline methodology proposed by RPA. It will use the definitions of costs presented in the RPA study. The consultants shall tailor this methodology to the different types of measures from Task 1. The methodology shall set out which costs to include and how to assess the costs and economic impacts for each of the different types of measures. The consultants shall distinguish between the different components of cost including: direct compliance costs; changes in

consumer surplus; public exchequer cost; induced or wider economic effects; non-water environmental costs and benefits (treated as negative costs); transaction costs arising to industry and regulators associated with implementing the measures; the costs to government agencies in administering, monitoring and enforcing the requirements; and any other costs identified by stakeholders. The methodology shall set out how to assess any distribution incidence of the costs where possible. It may not be necessary to include all costs for all measures. Different pollution abatement cost functions shall be derived for different industries, groups of measures etc. The methodology shall specify which cost components need to be assessed/collected for which types of measures and how to undertake these assessments. The consultants shall apply the RPA criteria for assessing when changes in consumer surplus, wider economic effects and quantification of non-water environmental impacts etc should be included in the CEA.

The methodology shall apply the three possible estimation options:

- 1) Qualitative descriptions of costs and impacts only
- 2) The above plus quantify financial costs
- 3) The above plus the quantification of any other costs if it is straight forward to do so and the data is readily available

The consultants shall identify the criteria for determining the extent to which it will be possible to go down the above steps and what sort of cost information is needed for different types of measures and circumstances. This will input into project 3 that will scope and characterise the problem cases requiring economic analysis of varying degrees of detail & depth.

For financial costs the calculation of the present value of capital and operating costs shall be used. The consultants shall assess the extent to which the industries concerned can pass the costs on through price increases and the incidence of the costs as well as the ability of the industry to finance and bear the pollution control costs. The methodology needs to be applicable to both the preliminary and more detailed CEA.

Ofwat have commissioned OXERA and Arup to help them with the economics work for the CEA. This work will run from spring 2004 to the end of 2005 and will focus on advising Ofwat on its inputs to the iterations of the CEA and will be developing cost functions for water industry pollution control measures. This cost data will feed into the preliminary CEA.

The consultants for this project shall develop the methodology for non-water industry measures across the UK and water industry measures not included in the Ofwat project. It is essential that the methodologies used in this and the Ofwat/Arup project enable an even-handed comparison of costs across the sectors. It is therefore vital that the consultants for the two projects collaborate closely throughout. There will be cross membership of the steering groups to achieve close liaison and co-ordination.

The preliminary CEA only requires approximate (ranges for) cost estimates to aid screening and options refinement to draw up a reasonable draft POM. It will not require any detailed or precise cost estimates. Where necessary the cost functions shall identify the key circumstances that could determine the costs and where the costs might fall within a range. Detailed and accurate costing of the draft POMs shall be undertaken for actual costing of measures in the draft programme after Phase 3.

The consultants shall set out the sources of cost data for the preliminary CEA, and scope out where there are likely to be data gaps and any potential uncertainties regarding the data collected. They shall highlight strategies for dealing with uncertainty. These strategies shall be fit for purpose (not detailed) to aid screening and drawing up a draft programme of measures (POMs).

The report on the draft methodology will be peer reviewed by academics and technical experts.

Task 6: Consultants workshop to develop a cost effectiveness methodology

The consultants shall organise a workshop to develop a cost effectiveness methodology, which will bring together the cost assessment methodology (task 5) and the effectiveness methodology (Project 2a).

Task 7: Testing of the cost effectiveness methodology

The consultants shall, in collaboration with the consultants working on the effectiveness project (project 2a), test the developed cost effectiveness methodology (task 6). They shall run illustrative analyses using plausible assumptions to explore and demonstrate how the methodology works in practice. The consultants shall then pilot trial applications of the methodologies in the Agency's Ribble Catchment and in two further catchments, including one in Scotland to be specified by SEPA. They shall explore alternative options for estimating and presenting the costs and show their comparative utility to aid decisions on POM options and their cost-effectiveness so as to arrive at a draft POM in a specific basin.

The consultants shall assess the usefulness in practice of the alternative options. They shall identify the significance of any gaps in cost data and the value of obtaining additional cost data and the most appropriate way in which it should be stored so that it could be readily used by Agency technical area staff.

In all 3 pilot catchments the consultants shall use the developed methodologies to obtain estimates of the costs and the effectiveness of the relevant measures. They shall apply the cost effectiveness methodology, developed at the consultants' workshop (task 6 above), to compare measures. The consultants shall focus on obtaining the estimates in a readily useable form and assessing their usefulness in practice. For the Ribble and the Scottish pilots the Agency's Ribble pilot project team and SEPA will provide support for this testing in terms of identifying the measures, using the cost and effectiveness estimates to compare measures and providing logistic support. For the third catchment there is no support provided and so the consultants will need to undertake these tasks themselves.

The consultants shall consult local stakeholders as part of the testing process. They shall be consulted on the proposed measures, estimates of effectiveness, cost functions, resulting cost estimates and how they will be used in the preliminary CEA.

The consultants for Project 2b (the cost assessment project) shall organise the testing, stakeholder consultation and the reporting.

The consultants are required to provide separate costed budgets for the Scottish pilot and the third pilot, in which the consultants will need to provide logistic support. (See section 12: Information required).

Task 8: Scope the requirements of a database

In Phase 2 we currently envisage that the consultants shall develop a database to store all the cost data for easy use for the preliminary CEA. The Agencies will need subsequently to be able to adapt the database to incorporate the site specific cost data for the second CEA iteration. The consultants shall, in Phase 1, specify the uses, needs and form of the database to get an idea of what it may look like and the resource requirements for the establishment, updating and management of such a database. It is important that the outputs of the database are readily usable by the technical teams in the Agencies.

The consultants shall specify how the database will be used and the resource implications for how it will be managed and updated before it is developed.

Task 9: Scope out the potential role of nationally derived cost information.

The consultants shall scope out the potential role of nationally derived cost information in order to ascertain those situations in which national data is likely to be invalid if applied at a local level (because degree of variation by site or lack of homogeneity in the sector). This exercise could then establish the most appropriate way forward in individual circumstances e.g. production of national cost data or development of guidance for activity/sector level assessments.

Task 10: Peer review workshop

The consultants shall organise a peer review workshop. The aim of the workshop is to peer review the methodologies and the recommendations in the draft final report on the findings of tasks 1-9. Invitees will include academics, technical experts and industry representatives and other stakeholders. The

methodologies will be improved on where necessary and the consultants will produce a final report by the end of April 2005, including recommendations for phase 2.

5. Programme of work for Phase 2

An important aim of phase 1 is to scope out and get an idea of the size of the task in phase 2. This is the rationale for having two separate phases.

Below is a possible initial list of tasks for Phase 2. However these may change in the light of the recommendations of Phase 1. Tenderers are **not** asked to tender for this phase. Information on Phase 2 is provided in order to illustrate and emphasis how the work for Phase 1 provides the basis for Phase 2.

Specific tasks of Phase 2

Task 1: Produce guidance for non-economists in the Agency

The consultants shall produce comprehensive guidance for the Environment Agency, and SEPA area non-economists on how to apply the cost estimates to do the preliminary CEA. It will include detailed worked examples of the methodology developed in Phase 1 in practice.

Task 2: Organise training workshops

The consultants shall organise and facilitate workshops to provide EA and SEPA non- economists with training on how to apply the methodology developed in Phase 1.

Task 3: Development of a database

The consultants shall develop a database for collating the cost estimates and using them in the appraisal and decision making processes. The database shall be as simple as possible, fit for purpose and easy to use by Agency, SEPA and NI technical teams doing the preliminary CEA. It shall be developed in a way that allows it to be adapted to meet the needs of the more detailed site-specific CEA. The preliminary CEA, managed by the EA, SEPA & NI (in collaboration with Ofwat and other bodies), will take place in early 2006 and will draw up a first draft POM. This will be followed by a more detailed CEA to aid in the selection of the final POM.

Task 4: Collate approximate bench mark costs

The consultants shall collate best available approximate ranges of benchmark costs for the main measures for the main sectors using the methodologies produced in Phase 1. The relevant costs shall be identified both qualitatively and in monetary terms where this is readily achievable.

The consultants shall store the cost data in the database. This will form the basis for the preliminary CEA. The consultants shall collect approximate cost estimates for both local and national measures and shall collate existing cost data and collect or derive cost estimates for the most important data gaps (identified in Phase 1). Industry representatives (trade associations etc.) will be consulted for readily available cost data. Where there is lack of certainty the consultants shall apply sensitivity analysis. . The benchmark cost estimates will be peer reviewed to validate them.

6. Milestones and Outputs of Phase 1

Milestone/Output	Deadline
Invitation to tender sent out	Thur 2 nd Sept 2004
Return of tenders	Tue 28 th Sept 2004
Interviews of consultants	6 th Oct 2004

Evaluation of submissions	Wed 29 th Sept to Fri 8 th Oct 2004
Contract starts	Mon 25 th Oct 2004
Joint Inception meeting with the project Steering Groups	Mon 25 th Oct 2004
Inception report including scope and features of main types of measures.	Mon 8 th Nov 2004
Characterisation of measures	Nov 2004
Assessment of user needs	Nov 2004
Stakeholder consultation	Nov 2004
Review previous work on costs	Early Dec 2004
Interim report on options, users needs and stakeholder consultation specifying concerns and impacts of measures	Early/mid Dec 2004
Steering Group meeting.	Mid Dec 2004
Develop tailored methodologies for each type of measure	Oct-March 2005
Specify uses, needs and form of database	Oct-Feb 2005
Interim report on development of the methodology and Tasks 1-4. This interim report will be peer reviewed	Mid Jan 2005
Steering Group meeting	Late Jan 2005
CEA workshop with Project 2a consultants	Mid Feb 2005
Testing of the CEA methodology using virtual testing and test pilots (in collaboration with project 2a consultants).	Mid Feb to mid March 2005
Joint Steering Group (with effectiveness project 2a steering group).	End Feb
Draft final report on work so far including results of the virtual testing and the catchment pilot tests. The report will be circulated prior to the workshop	End March 2005
Peer review workshop	Mid April 2005
Final report on findings including recommendations for phase 2 of the project	End April 2005

7. Contract management arrangements

Dominic O'Neill, Economist (Environment Agency) will manage the project. One individual within the selected organisation will be required to co-ordinate inputs from team members including those of consortia. Particular attention will be paid to the quality of the management arrangements within proposed groups.

There will be a project steering group for this study consisting of representatives of the collaborative funding partners (Defra, SEPA, EA, English Nature, SNIFFER, DTI) and other agencies involved in the WFD that contribute to this study. The consultants will be required to periodically report progress to this group.

8. Publication

The Collaborative Research Programme Funding Partners will have the right to publish the report.

9. Payment

The tenderer must specify the costs and day inputs (with day rates) for each milestone. Payment will be made in accordance with the agreed milestones on the Environment Agency's acceptance of the deliverables produced.

Any additional work required would be agreed in advance with the contractor and payment will be made on delivery of the agreed milestones. Payments in relation to the peer review function and workshop (other than the consultant's own time) will be agreed following the award of the contract, but preliminary estimates should be included for evaluation in the tenders. Any additional work required as a result of unanticipated requirements will be made according to the day rates specified in the tender and will be subject to separate orders to be agreed with the contractors.

10. Project Contract Details

Contract details and timescales:

Project Start Date	Early Oct 2004 (inception meeting)
Project End Date	End March 2005
Project Duration	6 months
Project Manager	Dominic O'Neill
Telephone	07747 007 080
E-mail	dominic.oneill@environment-agency.gov.uk

There will be a steering group including representatives from: Defra, Environment Agency, SEPA, Scottish Executive, DTI, Sniffer, WAG, UKWIR, Ofwat

The contractor's project manager will provide Dominic O'Neill with regular progress updates.

11. Consortia

The members of the steering group would welcome proposals from consortia. In such cases, one individual project manager within the selected organisation will be required to manage inputs from team members in the consortia and be responsible for any sub-contractors.

12. Variation to contract

The project collaborators reserve the right to vary the contract, this may include additional work, ensuring that any variations are agreed in advance with the contractor and payment will be made on delivery of the agreed milestones.

13. Environmental Considerations

The Environment Agency is committed to continuously improving its environmental performance. It has set itself tough objectives as a clear commitment and contribution to sustainable development throughout England and Wales. The Agency recognises that this can only be achieved through commitment from all sectors of society and it is intent on raising awareness amongst industry and commerce.

Contractors must adopt a sound proactive environmental approach, designed to minimise harm to the environment.

Environmental criteria should be considered as part of your tender submission with credit given for innovation. Factors to be considered could include areas such as:

- Paper use: All documents and reports prepared by consultants and contractors are produced wherever possible on recycled paper containing at least 80% post consumer waste and printed double sided.
- Travel: use of public transport, reduce face to face meetings by using email and videoconferencing. Meetings to be held in locations to minimise travel and close to public transport links.
- Packaging: should be kept to a minimum. Re-use and disposal issues must be considered.
- Efficient Energy and Water Use.
- Disposal of Waste: Whilst on site the contractor is responsible for the disposal of their own waste and can only use Environment Agency facilities with express permission from the on site facilities officer.
- Whilst on site, contractors should comply with the local environmental policy statement which will be made available to you in advance or on arrival.

14. Data Protection Act addendum to specification

14.1 Protection of Personal Data

In order to comply with the Data Protection Act 1998 the contractor must agree to the following:

- You must only process the personal data in strict accordance with instructions from the Environment Agency.
- You must ensure that all the personal data that we disclose to you or you collect on our behalf under this agreement are kept confidential.
- You must take reasonable steps to ensure the reliability of employees who have access to personal data.
- Only employees who may be required to assist in meeting the obligations under this agreement may have access to the personal data.
- Any disclosure of personal data must be made in confidence and extend only so far as that which is specifically necessary for the purposes of this agreement.
- You must ensure that there are appropriate security measures in place to safeguard against any unauthorised access or unlawful processing or accidental loss, destruction or damage or disclosure of the personal data.
- On termination of this agreement, for whatever reason, the personal data must be returned to us promptly and safely, together with all copies in your possession or control.

15. Further Information

The Environment Agency asks tenderers to provide the following cost information based on the information below **within the Pricing Schedule**:

- A daylong workshop in mid March 2005 to discuss results prior to the finalisation of the research and to help agree the way forward.
- A peer review function (to be integrated into the workshop mentioned above) and to review the methodologies. Suggestions for appropriate individuals and approximate costs/availability should be made.
- The stakeholder consultation involving face to face meetings with representatives of the different sectors
- The Scottish pilot to test the methodologies.
- The third pilot to test the methodologies. Unlike the other two pilots the consultants will need to identify the relevant measures and provide logistic support