


Schedule 2

Statement of Requirement

CTLBC/1823



RAF Northolt Sale Preparation: Consultancy Advice Procurement

Terms of Reference

Options for the Commercial Development of RAF Northolt

The Ministry of Defence (MOD), as part of its Asset Management Programme, is seeking advice on a range of options for the future development of RAF Northolt. One of the options that the department is considering is the sale of the site and conversion into a civilian operated airport. In order to inform any potential future decisions, the Department is seeking to procure consultancy advice to assist in the generation of commercial options for use of the site as a commercial airport in order to attain best value for money for the Government.

Given the timescales and the defence requirement for RAF Northolt, the Contractor will be a “List X” certified company upon Contract Award and their personnel with access to the project will be security cleared to at least SC level and be British Nationals.

Indicative scope of work

Drawing on recent assessments of the Northolt site and the policy and regulatory requirements of the Department for Transport and the Civil Aviation Authority, the supplier will be required to provide answers to the following questions:

- 1) What specific work would need to be undertaken to enable RAF Northolt to attain an International Civil Aviation Organisation (ICAO) licence in accordance with Annex 14 standards and Civil Aviation Policy 168 requirements? This should include consideration of innovative solutions and evidence of where derogations might be sought to overcome constraints (for instance based on operations at other airfields or airports).
- 2) What would be the estimated cost?
- 3) How long would it take to complete the work?
- 4) What consultations and planning permissions (including if necessary obtaining legal opinion on existing and transferrable rights and permissions) would be required to convert Northolt into a civilian airfield?

Given the work that needs to be done, the Contractor should identify:

- 5) What are the realistic business models that a civilian operator might adopt, and the commercial options for use of the site as a civilian operated airfield that Government could pursue? This analysis would include options for the commercial terms of MOD's continuing assured access to the runway.
- 6) How would MOD realise value from a future increase in activity at RAF Northolt under a civilian operator?
- 7) How would a deal be structured?
- 8) So that MOD can be sure that it is pursuing the deal that offers best value for money for the taxpayer, a benchmark option should be developed demonstrating how MOD could maximise the commercial revenues from RAF Northolt under the current ownership arrangements.

The Contractor is invited to suggest other questions which they feel would add value to this analysis.

The Department will provide relevant information and access to Subject Matter experts to the Contractor. The Contractor is invited to suggest other alternative/supplementary information sources which they believe will add value to this work.

Deliverables

A presentation to key stakeholders at the mid and end points of the process and a written report addressing the key questions outlined above.

Timetable

Response to ToR	22 November 2011
Appointment of consultants	28 November 2011
Inception meeting	29 November 2011
Initial Presentation to Project Board	7 December 2011
Presentation to Programme Board	15 December 2011
Review meeting	11 January 2012
Final report and presentation	31 January 2012

Reporting

The client for this exercise will be the MOD. The Contractor will provide regular updates to the MOD (plus officials from the Shareholder Executive and HM Treasury as appropriate) through teleconferences and/or face to face meetings at MOD Main Building or the contractor's premises.

