

Invitation to tender for evaluation of *Design London Interdisciplinary Incubator and the Centre for Competitive Creative Design*

1. Tender process

1.1 How to apply

Please read this brief and the accompanying guidance notes before applying. If you have a specific question not answered in the brief or the guidance notes, please email Jonathan Crowley at jonathan.crowley@nesta.org.uk or call 020 7438 2655.

Please email your proposal to jonathan.crowley@nesta.org.uk by the deadline, **10am on Monday 20th Oct 2008**. Applications received after this deadline will not be considered.

1.2 Next steps

You may be invited to an interview, at which you will be required to make a short presentation to the selection panel. Interviews will be held at NESTA on **29th or 30th Oct 2008**.

1.3 Tender questions

In instances where one tenderer raises issues or requests information from NESTA that may cause them to have a material advantage over other tenderers NESTA shall be the final judge as to whether that information should be made available to all tenderers, taking into account the overriding need to ensure fairness.

2. Background to brief

2.1 About NESTA

NESTA is the National Endowment for Science, Technology and the Arts. Our aim is to transform the UK's capacity for innovation. We invest in early stage companies, inform innovation policy and encourage a culture that helps innovation to flourish. NESTA's mission is to transform the UK's capacity for innovation. It aims to do this by:

- establishing well-evidenced models of how innovation happens in the UK
- establishing NESTA as a renowned centre of expertise in innovation
- having NESTA's models adopted by others

2.2 NESTA's Innovation Programmes

NESTA's Innovation Programmes develop pioneering but practical projects designed to demonstrate how to stimulate and support the UK's capacity for innovation. Our approach is to develop a hypothesis, run tests to develop insights and evidence, and then market these insights and evidence, with a view to adoption.

Across NESTA's programmes, we aim for our evaluations to address the following core questions:

- Did the programme/project deliver what it set out to deliver?
- Can we identify which aspects of the programme/project worked and which did not?
- Does the programme/project demonstrate processes or models that can be scaled up?
- Can we demonstrate that the intervention made a lasting impact?
- Does the programme/project represent value for money?
- Does the programme/project demonstrate 'amplification', i.e. is it influencing UK innovation policies and programmes?

2.3 NESTA Connect

Innovation occurs at the point where disciplines, organisations or cultures collide. We believe that the majority of businesses and research and education institutes in the UK have yet to wake up to the benefits of collaborative innovation. This is why NESTA Connect exists: to disrupt traditional boundaries and support extreme collaborations. We want to encourage the collisions between different worlds that stimulate innovation.

NESTA Connect is focussing on three core themes.

- Knowledge Connect – focusing on activity that creates innovation through the interaction of two or more disciplines or sectors.
- Corporate Connect – working with big companies such as P&G, Virgin and Oracle to stimulate innovation by collaborating with small companies or individuals
- Web Connect – understanding the future of the web on collaborative innovation and it's geographic, political, organisational impact.

2.4 Scope of Evaluation

NESTA is seeking to evaluate two projects as part of the Knowledge Connect theme, namely the Design London Incubator and the development of elements of the Centre for Competitive Creative Design (C4D). Both projects were developed in direct response to the Cox Review: Creativity in Business. This highlighted the need to stir together scientific, engineering, business and the creative design communities to enhance business and public sector innovation.

The Design London programme has a number of other discrete activities/elements including Teaching, Research and Simulation, however this evaluation is only for the Incubator component.

The C4D project is in development and although there is no separate incubator element, the development of the project will be a useful and interesting point of comparison to the Design London incubator. It is not yet clear which elements of C4D will form the most appropriate comparison to the Design London incubator, however these activities are likely to include, but not necessarily be restricted to, the C4D hothouses (see section 2.6).

More detail on both projects is given in the following sections.

2.5 Design London

Design London is a new international centre for design-led innovation combining design expertise from the Royal College of Art (RCA), with engineering and business expertise from the Faculty of Engineering and Tanaka Business School at Imperial College.

Design London is developing, researching and delivering radically new practices, tools and processes to transform the way organisations innovate, and translate their creativity into commercial success.

2.5.1 Incubator

Design London's interdisciplinary Incubator is a dynamic environment for developing high growth ventures that combine creative design and technological innovation. The Incubator was launched in Spring 2008 with the first wave of new ventures.

Its goals are to:

- Train a new community of design entrepreneurs to act as change agents in industry
- Pioneer new models for interdisciplinary incubation of design-led ventures
- Deliver a stream of commercially successful projects that demonstrate the effectiveness of the interdisciplinary approach and methods

Please refer to the Design London Annual Report for full details of Design London and the Interdisciplinary Incubator.

2.5.2 Incubator Milestones

Resources

June 2008	Incubator Management team (2 FTE) in place along with coaching staff to support pilot projects joining incubator
January 2009	Management Team and Coaching Coordinator plus full time Business Development Manager (3.5 FTE)
January 2010	As above

Infrastructure

June 2008	Physical Incubator fitted out with space for 8 workplaces Design London Incubator Portal deployed
January 2009	Physical Incubator offices consolidated with other functions within Design London and expanded to support 3 teams with 12 workplaces
January 2010	As above

Projects

June 2008	2 pilot projects contracted and deployed in incubator with IRB Agreement on incubatees business plan
January 2009	First project exits incubator 3 new projects contracted and deployed in incubator including at least one industrial or public sector sponsor/partner with IRB Agreement to business plan
January 2010	All earlier projects exit incubator or re-admitted under revised terms 4 new projects contracted and deployed in incubator with at least one industrial or public sector sponsor/partner with IRB Agreement to business plan

Knowledge Transfer

June 2008	Make available Operations Guide for Interdisciplinary incubation
January 2009	Publish report and conference on models for interdisciplinary incubation
January 2010	Follow on reports and conference

Funding/Income

June 2008	All contracting in place for incubating ventures with use of convertible loans/equity stake/royalty and licensing agreements
January 2009	2 industry partners in place generating 20% of Incubator funding requirements

	First projects exit incubator with either equity stake or royalty/license revenue sharing agreement in place
January 2010	2 further Industry Partners plus VC fund secured to complement NESTA funding representing at least one third of going rate operating cost
	Second batch of projects exit incubator with either equity stake or royalty/licensing revenue sharing agreement in place

2.5.3 Partners & Stakeholders

Design London was launched with £3.8 million of funding from HEFCE, £900,000 from NESTA and £1.1 million from Imperial and the RCA. It was subsequently appointed by the London Development Agency to deliver its £3.5 million programme to help SME businesses in London harness the power of design to transform their business performance. The programme is called Designing Demand and is being delivered for London in partnership with Grant Thornton.

2.5.4 Management Team

Nick Leon, Director, Design London

Nick joined Design London from Imperial's Tanaka Business School. Prior to joining Imperial College he worked for over 30 years at IBM where he was Director of Business Development in Europe, for IBM Global Services, and led IBM's business in the telecommunications industry. During the 1990s he was Director of Marketing in IBM Europe, and then Worldwide Director of Channel Marketing for the IBM Server Group. He started his career in IBM research and development as an Industrial Designer, and later became a Product Development Manager for advanced technology displays and retail systems. He has a degree in Mechanical Engineering from Imperial College London and a Masters in Industrial Design from the Royal College of Art.

Bruce Tether, Research Director

Bruce joined Design London from Manchester Business School where he lectured in Innovation and Technology Management and was Senior Researcher. He is a Fellow at the ESRC Centre for Research in Innovation and Competition (CRIC), also at the University of Manchester. He has also been a Ghoshal Fellow of the Advanced Institute of Management Research (AIM). Bruce's research interests focus on the economics and management of innovation, technological and organisational change. He holds a doctorate in science and technology policy studies and a first class Bachelors degree in Geography.

2.5.5 Board:

- Sir James Dyson, Chairman, Dyson Limited
- Sir George Cox, Author of the Cox Review, Creativity in Business
- Sir Christopher Frayling, Rector, Royal College of Art
- Prof. Andrew Hargadon, University of California, Davis
- Dame Julia Higgins, Professor Emeritus, Department of Chemical Engineering
- and Chemical Technology, Imperial College London
- Jonathan Kestenbaum, Chief Executive, NESTA
- Stephano Marzano, CEO, Philips Design
- Graham Spittle VP IBM, Chair of the UK Technology Strategy Board
- Oliver Stocken, Chairman of Home Retail Group, Deputy Chairman of 3i plc
- Sir Richard Sykes, Rector, Imperial College London.

2.6 Centre for Competitive Creative Design (C4D)

The Centre for Competitive Creative Design (C4D) is a unique research and educational offering operating at the boundaries of the arts, engineering, management and science disciplines. It aims to embed innovation, creativity and design capability in the entire product/service development life cycle of UK businesses, both large and small, to improve competitiveness. C4D is the creation of a partnership between Cranfield University (Cranfield) and the University of the Arts London (UAL). It brings together two of the specialist educational institutions representing the business, industrial and the creative arts sectors. C4D envisages a 'hothouse' based at Cranfield, run jointly by Cranfield and UAL directly connected to industry, where post-graduate students, teachers, researchers and industry partners can explore the embedding of innovation, creativity and design capability into the core of UK and global industry.

2.6.1 Objectives

The concept is to develop a creative environment with some of the characteristics of a design agency, but with a distinctly unique atmosphere where engineers and managers are just as at home, and where students provide an energy and interest that can't be matched in an industry centre.

The Centre for Competitive Creative Design will run new Masters Programmes, will perform research with industry (short term/ medium term/long term) and will provide services to industry. A physical space will be made available to staff and students across the university to explore creative practice. As well as providing new staff in creative design at Cranfield and UAL space to work, the facility will facilitate interaction with other staff at both institutions, as well as students and external organisations.

Students from both the universities will be encouraged to exploit their ideas developed during the MDes courses. Cranfield and UAL will offer access to their existing 'incubator' services for the enterprising students. This service will include support on accessing potential funding bodies or investors, protecting a concept, market research and positioning and how to start a business.

C4D's mission is to:

'Change the way that enterprises innovate by driving creative design capability into the heart of their processes'

Enterprises will encompass the engineering and manufacturing sectors as well as design practices, small-to-medium enterprises (SMEs) to UK-led blue chip companies, and local through to global enterprises.

The mission will impact on UK Industry competitiveness by addressing issues on a number of levels, i.e.

- **Organisational:** provide research, knowledge and capability to enable organisations to integrate creative design competencies into their innovation processes to increase competitiveness.
- **Project:** develop pragmatic frameworks that exploit creative design competencies to improve performance at the project level
- **Individual:** develop personal creative competencies so that engineering, science and business professionals are better able to exploit creative potential of the design process to solve problems at the task level.

Staff from companies, including manufacturers, consultants and other professional organisations, will be invited to participate in C4D through co-location, secondments and other joint activities such as workshops.

In addition to using existing facilities, Cranfield and UAL will develop new facilities and environments to provide spaces for academic, knowledge transfer and industry-engagement activities. The initiative will integrate design, visual communication, creativity and innovation, novel manufacturing technology and materials, cost and affordability engineering, customer value and entrepreneurship skills within one creative collaborative environment.

The outputs from this initiative will take the form of specialised professionals able to manage and exploit design creativity capabilities within a variety of industrial settings and purposes including product and service development, creative design management and specialised design practitioners. The Centre will serve the needs of both the engineering and manufacturing sectors and the creative industries. C4D will act as a centre of excellence for the region with a specific focus on consulting with business to help organisations understand how creative design capability can be built and integrated and exploited by the enterprise.

2.6.2 Partners and Stakeholders

The Higher Education Funding Council of England (HEFCE) has contributed £3.48 million for the C4D development and it is supplemented by Bedford County Council with £250K capital grant. The project will cost a total of £5.5 million over three years.

2.6.3 Management

C4D will be a pan-university activity with an inclusive structure; all the Schools or Departments of Cranfield University and UAL will be represented. An Advisory Board will oversee C4D's development and direct its strategy with a Management Board to monitor and manage the operational aspects of the initiative. The Advisory Board will meet at least twice a year, and its recommendations will be implemented via the Executive Group, led by two directors, C4D director (CU) and Deputy Director (UAL); this will meet bimonthly. The Executive Group will be responsible to implement the strategies and run the operations. The Group will be responsible to the Management Board. The Advisory board will also advise the two MDes courses at Cranfield and UAL. A C4D Director will be appointed from Cranfield and a Deputy Director from UAL. The Centre will therefore be managed jointly by Cranfield University and UAL. A separate Project Team will be formed to manage the progress of the construction and commissioning of facilities. All the C4D staff members will co-locate at Cranfield in the new building.

3. Evaluation

NESTA is seeking a tender to evaluate the Design London Incubator and C4D, with emphasis on the aspects of the projects that are most relevant to NESTA Connect. As well as an evaluation of the two projects as separate entities, we are interested in a comparative study of the two approaches to stimulating collaborative innovation. The two projects are at different stages of their development, which should be taken into account throughout the evaluation.

Some of the questions we are interested in answering are:

- Have the Design London Incubator and C4D created an effective model of collaborative working across disciplines and has this stimulated innovation? If so, what are the characteristics that have made the model successful?
- How were networks built up and how were they kept engaged (or not)? How did they get the right people involved (or not)?
- Have the Design London Incubator and C4D created an effective model for knowledge exchange from designers to scientists/technologist to business people and vice-versa? How were links made or brokered?
- What were the incentives (or disincentives) for people to participate and get involved?
- What were the human factors that contributed to (or detracted from) a successful collaborative environment?
- Evaluation of the nature of the interdisciplinary interaction - how did this benefit groups and what barriers did it present?
- Evaluation of innovativeness – did new solutions come out of projects through collaborative working? How and why did we get innovative solutions?
- How could such a model be used in other contexts? (E.g. could this be a model for exchanging knowledge between other professions or groups where there is a distance between those with knowledge of the problems and those with potential solutions?)
- Can we compare and contrast this model to those used by other organisations, especially other higher education institutions? The evaluation needs to look at other methods for encouraging innovation in this area.

These evaluation questions are intended as a guide to tenderers. Evaluators should feel free to propose revised or alternative questions, based on their own expertise and understanding of the brief.

Regarding our approach to evaluation, in previous projects we have combined traditional analytical and qualitative approaches to test hard factors (such as intellectual property and investment) with an ethnographic approach to test soft factors (such as culture, language and trust). Also, right across the Connect programme, we seek to identify the impact of difference, interaction, networks and trust, on the successful outcomes of collaborative innovation.

Tenderers are required to propose an evaluation methodology appropriate to the complexity and scope of the project. The methodology must address the need for:

- both quantitative and qualitative data
- tracking individual projects within Design London (including mapping networks involved)
- engaging Design London project team and incubatees as 'expert witnesses'
- detailed case studies of up to 6 funded projects

In order to carry out the evaluation, evaluators will need to liaise with:

- NESTA's Connect team
- Design London staff
- C4D staff
- Incubatees involved in projects

- Other partners involved in projects

4. Reporting of Results

- Ongoing feedback to NESTA, by email and meetings (frequency to be agreed)
- Interim report covering learning to date – by June 2009
- Full report – February 2010
- Publication of case studies, articles in journals, presentations at conferences and other publicity (details to be agreed).

5. Evaluation budget

The budget for the evaluation is between £80,000 and £100,000. Tenderers are invited to propose a detailed budget in line with their evaluation methodology.

Invitation to Tender: General Guidance Notes

1. Background

This document provides guidance on how to submit your proposal to NESTA. We advise that you read this document together with the evaluation brief (above) before submitting a proposal.

Please submit your proposal to NESTA in accordance with all of these instructions, stipulations, requirements, terms and conditions set out within the enclosed documentation.

NESTA reserve the right to disqualify tenderers who fail to comply with these requirements, in particular those proposals that are received after the closing time and date detailed below.

If you are interested in submitting a proposal it is advised that you notify Jonathan Crowley as soon as possible before the deadline to express your interest (jonathan.crowley@nesta.org.uk Tel. 020 7438 2655.)

2. Decision making process

This tender process is a competitive process and decisions will be made on the basis of the stated criteria. NESTA reserve the right to seek outside expertise in order to judge the quality of the proposals.

3. Submitting a proposal

Tenderers must provide names and contact details for two reference projects that NESTA can contact regarding the Tenderer's capacity, capability and record performance. Nominated reference projects should ideally be for projects of a similar value and complexity.

Tender sums are to be inclusive of expenses, but exclusive of Value Added Tax. Tenderers are assumed to have considerable experience in these services and are expected to be able to assess the requirements in order to provide an accurate fee proposal.

If the tenderer considers that it needs to make any assumptions in preparing its fee proposals these should be explicitly set out in its submission.

The appointee may not assign or subcontract any of the work required under this ITT without NESTA express permission.

3.1 Your proposal should include details of the following:

- An introduction to and credentials of your work/organisation, including examples of relevant evaluation projects you/your organisation have conducted
- A one-page summary of your evaluation proposal with two pages of supporting argument. This should include a description of the work you would propose, a workplan and timeline for evaluation process;
- CVs of the people who will be conducting the evaluation (to be included in an appendix)
- A fee structure¹ and level indicating the basis of calculation, the frequency and nature of billing (please provide a detailed breakdown of costs per individual involved and for each stage of the project).
- Confirmation that you have no conflicts of interest with any of NESTA's senior management team, Committee members or Trustees (details at www.nesta.org.uk)

¹ NESTA will pay for overheads, but as this is a competitive tender NESTA will look favourably on tenders where these costs are low compared to the number of days allocated to the project.

- An outline of your engagement terms and conditions (if relevant, to be included in an appendix)
- Names and contact details of two client referees able to comment on your work on comparable evaluations or projects.

3.2 Proposals should not exceed 8 pages (excluding appendices). Submissions should be single-spaced, in 12-point font and on A4 paper.

3.3 Your entire proposal including all supporting documentation should be e-mailed to us no later than **10am on Monday 20th Oct 2008**.

4 Selection Criteria

Your proposal will be evaluated against the criteria listed below. Please note that the list is not in priority order, but instead the tenders will be judged on the extent to which they meet each of the criteria.

Track record of tenderer and named team members in evaluating projects	<ul style="list-style-type: none"> • Level of experience in evaluating projects • Level of experience in evaluating scientific collaboration or innovation • Experience of team • Knowledge of evaluation best practice
Quality and robustness of methodology	<ul style="list-style-type: none"> • Evidence of a clear and logical process and proven evaluation methodology • Methodology that minimises cost and burden on partners and participants, while maximising learning opportunities and the quality of the evidence gathered
Quality and robustness of project management	<ul style="list-style-type: none"> • Rigour and clarity of approach to delivering the services on time (i.e. work plan, timeline, interim deliverables, milestones, etc) • Demonstration of scope to adapt to unforeseen circumstances • Explanation of contingency plans • Reassurance of delivery continuity over the course of the project
Innovation in approach and content	<ul style="list-style-type: none"> • Level of insight into what the project requires • Relevance and extent of ideas and suggestions
Value for money	<ul style="list-style-type: none"> • Competitiveness of rates • Appropriateness of resource levels
Track record of working with Academic community	<ul style="list-style-type: none"> • Level of experience and evidence of relevant working practices

5 Timetable

Action	Timing
Tender published	24 Sept 2008
Tender deadline	10am on Monday 20 th Oct 2008
Tender interviews	29 th or 30 th Oct 2008
Evaluators appointed	3 rd Nov 2008

6 NESTA's responsibilities

- 6.1 Where it is found necessary by NESTA to amend the terms of the evaluation brief prior to the proposal response date, NESTA will advise each tenderer in writing of such changes. Each tenderer shall provide written acknowledgement of any such changes. It is therefore **strongly encouraged** that you e-mail NESTA **prior to the first deadline to express your interest** in submitting a proposal so not to miss out on any important information.
- 6.2 Where an extension of time for the response is requested, NESTA will advise any agreed extension to each tenderer. Any such request shall not bind NESTA to grant any extension, and extensions will only be granted in exceptional circumstances.
- 6.3 NESTA shall not be responsible for, nor will it pay, any expenses or losses which may be incurred by any tenderer in the preparation of the tender, site visits, interviews or negotiations, or anything else associated with the tender.
- 6.4 Tenderers in receipt of internal NESTA documentation shall at all times treat their contents as confidential, and only disclose such information as may be necessary for the preparation of a compliant response.
- 6.5 No tenderer shall before the date and time specified in this tender documentation disclose to any person the value of its tender, except where the disclosure is made in confidence and for the purpose of obtaining insurance premiums or guarantees required as part of any submission to NESTA.
- 6.6 NESTA reserves the right to limit the number of tenderers invited to participate in any follow-up activity (for example, interviews), or to dispense with any follow-up altogether. Meetings will take place at the offices of NESTA in London.

7 Compliance

- 7.1 Submissions shall comply in full with the requirements set out in this document.
- 7.2 NESTA reserves the right not to accept the lowest price submitted by any tenderer.
- 7.3 NESTA reserves the right to reject any or all bids received

8 Special Conditions

- 8.1 All proposals will be subject to final contract and negotiation; tenders are invited to include any specimen terms and conditions or service contracts with their submissions.

9 Information & contacts

- 9.1 If you have any questions with regard to the interpretation of, or require any additional information to clarify the interpretation of the request for proposals you may email or call **Jonathan Crowley** at NESTA on jonathan.crowley@nesta.org.uk Tel. **020 7438 2655**.