

Commercial Tender – Commercial
Evaluation

Welcome to our WebEx for Early Competition

We will commence the meeting on the hour



nationalgridESO

Agenda

- Introductions
- Housekeeping
- Content challenge and review
- Next steps



On the call today from the Early Competition Team are...

Sally Thatcher (ESO)

Network Competition Policy
Manager



Richard Paterson (ESO)

Network Competition Policy
Development Analyst



Stuart Poole (ESO)

Change Delivery Lead



Mothi Sayeeram

KPMG



Oscar McLaughlin

KPMG



Tell us about you

Who are you? Where do you work? What is your interest in early competition?

On the call today from the Early Competition Team are...

Sally Thatcher (ESO)

Network Competition Policy
Manager



Richard Paterson (ESO)

Network Competition Policy
Development Analyst



Alastair Grey (ESO)

Commercial Analyst



Matthew Curtis

KPMG



Oscar McLaughlin

KPMG



Tell us about you

Who are you? Where do you work? What is your interest in early competition?

On the call today from the Early Competition Team are...

Sally Thatcher (ESO)

Network Competition Policy
Manager



Richard Paterson (ESO)

Network Competition Policy
Development Analyst



Alastair Grey (ESO)

Commercial Analyst



Matthew Curtis

KPMG



Monika Stachowiak

KPMG



Tell us about you

Who are you? Where do you work? What is your interest in early competition?

House Keeping

We've scheduled the meeting for 1 hour and appreciate how precious people's time is so to help us keep to time:

Please feel free to ask questions and challenge views but please don't be offended if we need to park questions or discussion if we start to move off topic, or if we are running out time.

In this circumstance we can advise if this topic area is covered in one of our subsequent workshops, or we can make contact with you separately to further discuss at a later date.

Also please feel free to call questions out when you have them, or use the chat function.

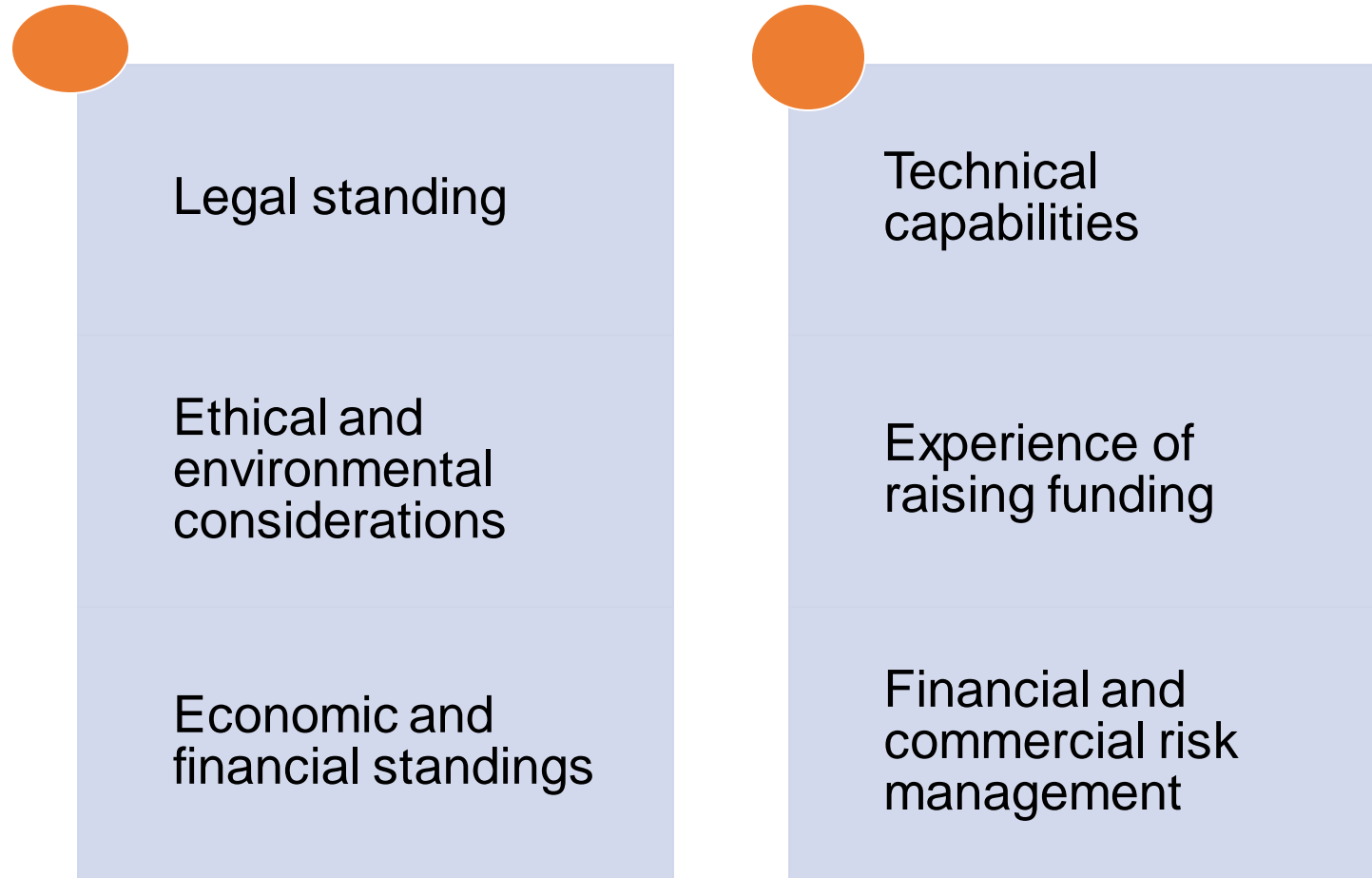
Commercial evaluation – Key Components



Assumptions

- The exact stages may vary depending on the final agreed process. However, the matters to be evaluated would be similar.
- For the purposes of today's discussion we have assumed that:
 - There will be some form of pre-qualification ahead of the ITT stage.
 - The ITT will have two stages:
 - Stage 1: primarily focused on assessment of the technical suitability of the proposed solution
 - Stage 2: primarily focused on assessment of the commercial value of the offer
- Evaluation needs to be able to compare network solutions and non-network solutions.

Pre-qualification stage



- Are these the right areas to consider during pre-qualification?
- Are they all applicable to different type of projects e.g. small/large value
- Are these applicable for non-network solutions
- Views on binary versus scored evaluation?

Invitation to Tender Stage – commercial content

Note: Stage 1 primarily focused on technical assessment.

What costs would you expect to be submitted? E.g:

- Cost estimate for the proposed outline design
- Margins and overheads
- Cost of capital bid
- Inflation
- Whole life costing

What security would you expect to be submitted? E.g:

- Bid bond

how might this apply to non-network solutions?

How might cost uncertainties be managed? E.g:

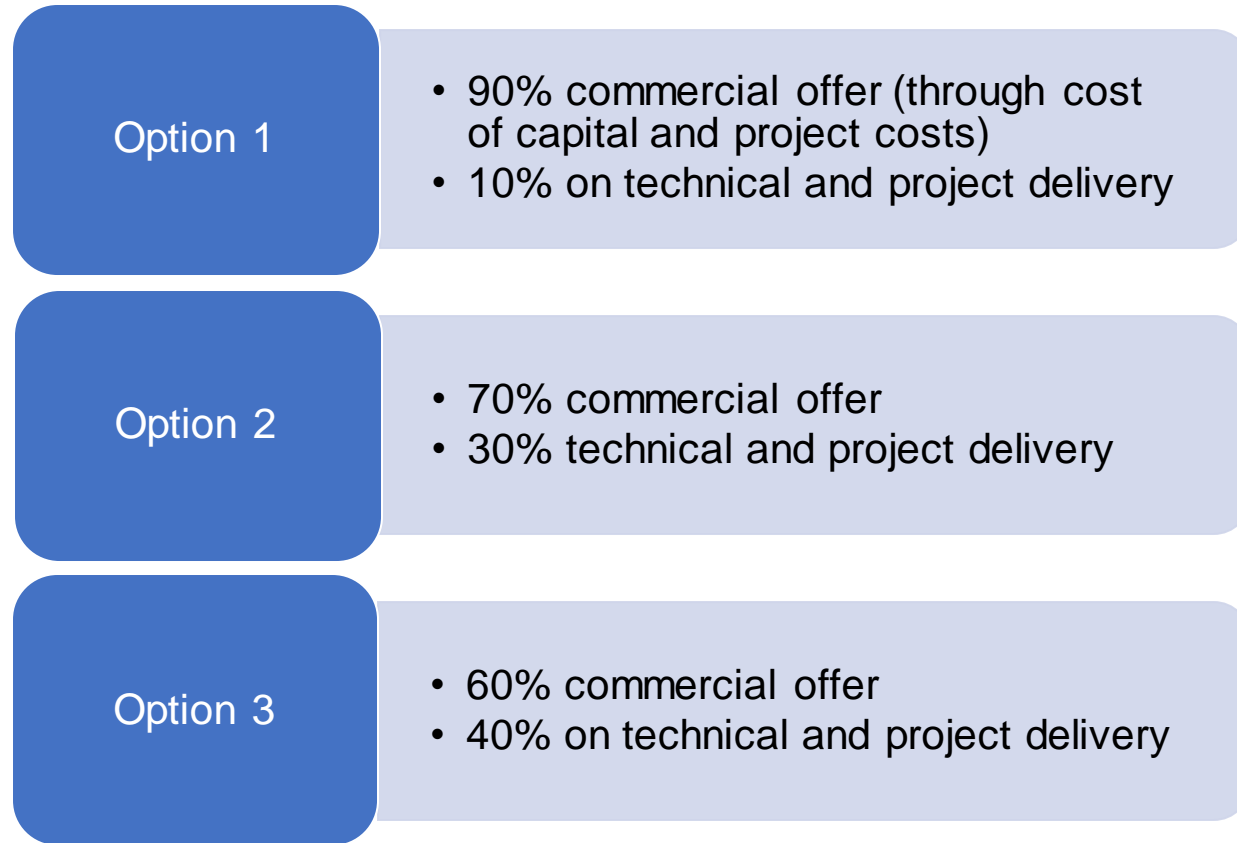
- Binding costs at ITT
- Some costs assessed post design work
- Some cost assessed post completion

If costs assessed later, what approach could be taken? E.g:

- Open book?
- Incentives?
- Economic and efficient assessments?

Invitation to Tender Stage – evaluation weighting during ITT stage 2

Note: Technical suitability of the proposed solution assessed in stage 1.



What are the pros and cons of different options? Any preferences?

Are different options more/less appropriate for different types of projects (e.g. small/large)?

Which is likely to lead to the greatest consumer benefit?

Next steps

- If you have feedback or wish to discuss anything please get in touch

Box.earlycompetition@nationalgrideso.com

- The slides and any notes from this session will be made available on our website
- We will be emailing a survey; please can you take the time to feedback on this session
- Our next milestone is the Early Competition Consultation Document which we expect to publish in July

