

## Electricity System Restoration (ESR) Competitive Procurement Event Invitation to the South East Tender: Invitation to Tender (ITT) Part 2 (F2)

### Background and instructions for completing ITT Part 2.

#### Executive Summary

The Feasibility Study - FS1 and FS2 Scope submitted during ITT Part 1 has now been evaluated and the ESO invites parties to proceed to the F2 Submission period which commences on 09th January 2023.

By continuing to participate in the competitive procurement event and making a submission of ITT Part 2 documents by the deadline of 31st August 2023, you confirm that you have read and understood all tender documentation, agree to the contract terms and tender rules.

**Please ensure you have read and understood all tender rules contained within this document.**

#### Background

The ESO launched this competitive tender to procure against our restoration requirement for the South East (SE) region for services commencing on 1st July 2025, or earlier at the discretion of the ESO, for a five-year contract.

This tender is the first of its kind to include the outputs from the [Distributed ReStart Project](#) to enable potential distribution-led restoration to complement the transmission-led restoration services.

Successful providers have been notified of the outcome from the last stage of the tender and this is the release of the final suite of documents which contains the information required to complete Feasibility Stage 2 (ITT Part 2) of the tender process.

This ITT Part 2 tender pack contains information for all categories, so please ensure you read all the information enclosed for instructions on what sections needs to be completed and submitted.

#### What's inside?

ITT Part 2 contains the final pieces of information required for the complete Feasibility Study, which proves that your solution offered is fully capable of providing the restoration requirements bid for. The Feasibility Study has been completed in two parts in line with the tender programme. **Please note that late submissions will not be considered.**

#### SE Tender Key dates

**12 January 2023**

ITT Part 2 Launch

**31 August 2023**

ITT Part 2 deadline

**December 2023**

Contract Award

**July 2025**

Service commencement

ITT Part 2 Submissions require the following documents to be submitted:

- Appendix 4 – F2 Submission Template
- Appendix 5 – Updated Contract Declaration
- Appendix 6 – Commercial Submission Template

Please make sure that you read this document and the ones below before you complete the templates above.

- Appendix 1 - SE Tender Technical Requirements and Assessment Criteria
- Appendix 2 - SE Tender Query Form
- Appendix 3 - SE Tender FAQs
- Appendix 7 – Feasibility Assessment Process
- Appendix 8 – ESR Primary Service Contract Terms

**All providers must make a submission for this stage.**

Where a provider has an approved F2 already, they should submit the previously approved study, along with the technical and commercial submission templates provided in this ITT F2. It is the responsibility of the provider to ensure that previously approved studies meet all the requirements of the F2 outline and is reflective of their current offering.

**The deadline for submitting ITT Part 2 (F2) is 31st August 2023 at 2300hrs.**

**Submission of Queries**

Please submit any questions you have using the Appendix 2 - SE Tender Query Form to the email address below

[Commercial.operation@nationalgrideso.com](mailto:Commercial.operation@nationalgrideso.com)

We expect to anonymise queries and circulate the responses as far as possible. If you believe your query is confidential, please state this on the query form along with your justification.

Where the ESO does not agree that a query should be confidential, they will present two options to the provider, either for the response to be shared, or for the provider to withdraw the question. We will aim to meet a turnaround time of 10 working days for all queries received.

The deadline for all queries raised in this stage, is 10 working days before the submission deadline.

**Tender rules**

1. By participating in this stage, you are agreeing to be bound by the rules of the tender process.
2. A 'provider', meaning one legal entity, may submit tenders for more than one site and for more than one category, but must not submit multiple tenders for the same site/asset within the same category. We expect the provider to perform their own options assessment, using the provided technical assessment criteria, and to submit the best value option.
3. The ESO is the lead procurement agent in the ESR process and is responsible for conducting a fair, transparent, and competitive tender event. No provider will be given any unfair advantage through one-to-one engagements.
4. Following success at the ITT F1 stage, commercial bids must be submitted as part of your ITT F2 Submission. Failure to do so will be deemed as a non-compliant bid.
5. Final contract award at the ESO's discretion, follows assessment of the ITT2 F2 submissions. The ESO will collaborate with the relevant DNO for any Distributed ReStart project related decisions.
6. The providers who are awarded contracts are expected to deliver the service no later than July 2025, maintain the Restoration capabilities and to deliver the service until July 2030. Following successful completion of project build stage and commissioning test, providers may be incentivised to start earlier at the ESO's discretion.
7. Potential providers need to be aware that their contract service commencement date will be dependent on having completed all their site works, resources in place and trained, a successful Commissioning Assessment (including having all the resilient comms in place) and having the Local Joint Restoration Plan (LJRP) signed off.
8. By submitting a tender response in connection with this competitive procurement event, potential providers confirm that they will, and that they shall ensure that any consortium members and/or subcontractors will, comply with all applicable laws, the non-disclosure agreement, codes of practice and statutory guidance.
9. Information that is supplied to potential providers as part of this competitive procurement event is supplied in good faith. The information contained in the EOI, and any supporting or subsequent documents and in any related written or oral communication is believed to be correct at the time of issue. The ESO will not accept any liability for its accuracy, adequacy or completeness and no warranty is given as such.
10. Potential providers are responsible for analysing and reviewing all information provided to you as part of this competitive procurement event and for forming your own opinions and seeking advice as you consider appropriate.
11. You should notify ESO promptly of any perceived ambiguity, inconsistency, or omission in the EOI and ITT stages, including any associated/subsequent documents, or communications provided to you as part of this competitive procurement event through the query process.
12. The ESO retains the right to amend the ITT stage's rules, requirements, or timescales at any time prior to the tender submission deadline. Prior notice will be issued to all

potential suppliers to ensure they have reasonable time in which to take such amendment into account and if required, the tender submission deadline can be extended at the discretion of the ESO. Your tender response must comply with the amendments, or it may be rejected.

13. A tender response or any other document submitted part of the tender exercise may be rejected if it:

- contains gaps, omissions, misrepresentations, errors, or uncompleted sections
- contains handwritten amendments which have not been initialled by the authorised signatory
- does not reflect and confirm full and unconditional compliance with all the documents issued by ESO forming part of the ITT stage
- contains any caveats, or any other statements, or assumptions, qualifying the tender response, that are not compliant for evaluation in accordance with any documents issued by ESO in any way
- is not submitted in a manner consistent with the provisions set out in the request for EOI, ITT stages, or any subsequent or supporting documents
- is received after the tender submission deadline.

14. The ESO reserves the right to disqualify from the tender process any provider if they breach these tender rules, if there are any errors, omissions, or material adverse changes relating to any information supplied by you at any stage in this competitive procurement event, and/or if your staff, partner companies, sub-contractors, and advisor attempts:

- to inappropriately influence this competitive procurement event
- to fix or set the price for the ESR service
- to enter any arrangement with any other party that such party shall refrain from submitting a tender response
- to enter any arrangement with any other party (other than another party that forms part of your consortium bid or is your proposed sub-contractor) as to the prices submitted
- to collude in any other way

- to engage in direct or indirect bribery or canvassing by you or your appointed advisers in relation to this competitive procurement event.

15. By submitting a tender, you consent to your detailed feasibility studies (F2) submission being shared with a third party for verification during tender evaluation.

16. Providers are responsible for obtaining all information necessary for preparation of tender responses and for all costs and expenses incurred in preparation of the tender response (save for those explicitly agreed to by the ESO as part of the ITT2 F2 process where an agreed capped contribution is agreed and capped at £150k for Primary and Anchor Service and £100k for Top up service). You accept through participation in this procurement event, including without limitation the submission of a tender response, that you will not be entitled to claim from the ESO any costs, expenses, or liabilities that you may incur in tendering for this procurement irrespective of whether your tender response is successful.

17. The ESO is not bound in any way to enter any contractual or other arrangement with you or any other potential provider.

18. The ESO reserves the right to terminate, suspend, amend, or vary (to include, without limitation, in relation to any timescales or deadlines) this competitive procurement event by notice to all potential providers in writing (if cancelled post the ITT stage), and through our website (if cancelled before the ITT stage).

19. Only the costs detailed in the commercial submission spreadsheet and form part of the commercial submission will be recoverable. The ESO will not under any circumstances reimburse any costs which are not included within the spreadsheet but are brought to light after contract award.

20. Tenderers will have a maximum of 15 - business days to sign contracts after ESO issue formal contracts for signature.

When communicating the results of the tender the ESO will make clear if any contract award is linked to another party also signing their contract.

The ESO expect that all solutions that are successful in the tender will progress to a signed contract if selected as part of the optimal portfolio of solutions, as this is a condition of the Tenderer Declaration that all Tenderers must return at Tender submission.

However, there may be circumstances in which this is breached, and an accepted solution does not sign the contract as expected. If within this 15-business-day period an unlinked contract breaches the Tenderer Declaration and declines to sign, the ESO reserve the right to re-evaluate that party's solution(s) and procure the most economic replacement(s).

If within this 15-business-day period any of the linked contracts breaches the Tenderer Declaration and declines to sign, NGESO reserve the right to reconsider all the linked contract awards in this period and procure the most economic replacement(s). For avoidance of doubt, if in this period all the linked contracts are signed within the 15-business-day period, this will not be required.

If upon the 15-business-day signature deadline a Tenderer has failed to sign and not provided reason for not signing, NGESO reserve the right to re-evaluate that Tenderer's solution(s) and procure the most economic replacement(s) for said solution(s) only. The replacement(s) could be chosen from the previously unsuccessful tendered options.

21. Service providers will be required to provide operational metering if successful and offered a restoration contract. This is a new requirement which is due to be implemented following consultation with the industry and will form part of the contract terms.

As a minimum the ESO Control Room will require a live feed showing both voltage, frequency and number of ESR units available from all service providers.

22. All providers who are awarded a tender through this competitive procurement event are responsible for ensuring that the ESR telephone/comms line is always working effectively during the contract. It is the providers responsibility to test this at regular intervals in line with the tender terms.
23. Providers who are successful for a contract, must make necessary arrangements for a Commissioning Assessment test before the service can go-live. Requirements for this test are stated in Appendix 3 – SE Tender FAQs on page 14.

<https://www.nationalgrideso.com/industry-information/balancing-services/system-security-services/restoration-services>

Eligible parties will receive an email notifying them of when the documents have gone live.

## Next steps

To participate in the ITT Part 2 please download and complete the following documents and submit them via email back to the ESO by 2300hrs on 31st August 2023 via

[Commercial.operation@nationalgrideso.com](mailto:Commercial.operation@nationalgrideso.com)

- Appendix 4 – F2 Submission Template
- Appendix 5 – Contract Declaration
- Appendix 6 – Commercial Submission Template

**Please note all tender submissions must be made using the templates provided else they will be deemed non-compliant.**

## Systems and communications

For ITT Part 2, all the tender documentation will be made available through the ESO website

## Purpose of the ITT Part 2 tender documents

| Document   | Purpose of Document  | Action  |
|--|--|---|
| Appendix 1 – Technical requirements and assessment criteria. | <p>Use this document for:</p> <ul style="list-style-type: none"> <li>Understanding the technical requirements and related parameters, why they are important to the service and why they are set at the agreed limits</li> <li>Understanding the assessment criteria, a high-level summary of the proposed feasibility assessment process and some of the contract principles</li> <li>The information contained in this document is still a work in progress and will be updated following feedback.</li> </ul> | Read ahead of filling in any information                                    |
| Appendix 2- SE Query form                                    | <p>Use this document for:</p> <ul style="list-style-type: none"> <li>Any provider queries during the event. We expect to anonymise queries and share the responses on our website as far as possible unless deemed confidential</li> </ul>   | Can be completed and sent to the ESO at any point during the tender process |
| Appendix 3 – SE Tender FAQs                                  | <p>Use this document for:</p> <ul style="list-style-type: none"> <li>Collating all questions &amp; Answers during each stage of the event. This will be a live document so please keep up to date with it and ensure you review this prior to submitting a query.</li> </ul>   | Read ahead of filling in any information                                    |
| Appendix 4 – F2 Submission Template                          | <p>This is a guidance document which provides the structure for the report which is required to be complete and submitted.</p> <ul style="list-style-type: none"> <li>Please ensure all appendices are clearly labelled and referenced within the documents.</li> </ul>  | For mandatory completion and to be submitted back to the ESO                |
| Appendix 5 – Contract Declaration form                       | <p>Please sign and return this document once you have completed a final review of the contract terms</p>   | For mandatory completion and to be submitted back to the ESO                |
| Appendix 6 – Commercial Submission Spreadsheet               | <p>This document is required to be submitted to the ESO</p> <ul style="list-style-type: none"> <li>Please complete all sections relevant to your submission.</li> <li>Please include ALL COSTS – any costs which are not included but notified to the ESO after contract award will not be recoverable</li> <li>Please ensure you read and understand the information provided on the guidance page</li> </ul>   | For mandatory completion and to be submitted back to the ESO                |
| Appendix 7 – Feasibility Assessment Process                  | <p>Use this document for:</p> <ul style="list-style-type: none"> <li>Understanding the assessment process and what is required at each stage</li> <li>Please complete the sections and detail within this document to inform the structure of your submission</li> </ul>   | Read ahead of filling in any information                                    |

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**Appendix 8 – Contract  
Terms (Draft)**

This document is to be reviewed by all parties. This is a draft of the contract terms providers will be expected to sign if awarded a contract during this tender process.

Read ahead of filling in  
any information

A final version of the terms will be shared no later than 23<sup>rd</sup> May 2024 in line with the contract declaration form.

The contract declaration form will need to be signed and returned following a full review of the terms for your bid to be compliant.

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## SE tender procurement timelines



| Stage  | Date  | Detail  |
|--|---|---|
| ITT Part 2 - F2 and commercial bid submission period | 09 <sup>th</sup> January 2023 to Aug 2023<br>(34 weeks) | <p>The ITT2 F2 report will be accompanied by a technical and commercial bid submission which combined will form the tender submission. The ITT2 F2 report itself should sufficiently prove that the provider's plant does have Restoration capability or will have Restoration capability subject to proposed changes detailed in the report. As with the ITT1 F1, if confirmed in their EOI acceptance that a previous study is satisfactory, there will be no need to duplicate this work.</p> <p>An agreed capped contribution of up to £150,000 for Primary and Anchor Providers and up to £100,000 for top up services towards these ITT2 F2 studies (in line with historical spend) which will be contractually agreed with a side letter.</p> <p>Providers are expected to minimise these costs to reduce the impact on the end consumer and will only be reimbursed for costs once invoices and supporting evidence of costs incurred are received and validated by the ESO. Costs will be reimbursable following closure of the ITT2 F2 assessment period and following satisfactory responses to all clarifications being issued by the ESO during the assessment period.</p> |
| ITT Part 2 - F2 and commercial bid deadline          | 31 August 2023  | All documents must be submitted by 11pm, submissions made after this may not be considered.   |
| ITT Part 2 - Tender evaluation and clarifications    | Sept to Nov 2023  | <p>Following tender submission, all tenders will be reviewed (in collaboration with the DNO for Distributed ReStart type applications), and technical clarifications specific to tendered information will be issued to individual providers. These clarifications will be documented as each submission is reviewed, but issued to all tenderers at the same time, to ensure no advantage is gained. All tenderers will be given the same amount of time to respond to clarifications on their tenders.</p> <p>During this period, feedback will also be given on the commercial submissions, and tenderers will be given the opportunity to provide clarification and refine their submission. All tenderers will be given equal opportunity and time to do so.</p>   |
| Contract award                                       | Dec 2023  | Contract/s will be awarded, and decision will be communicated to tenderers. Post-award, we expect to publish elements of the outcome of the tender, potentially including MW volume, technology type and price, in line with security requirements, the owners of the awarded contracts will not be revealed.   |

| Stage                | Date                                 | Detail   |
|----------------------|--------------------------------------|--|
| Build/Install        | Jan 2024 to June 2025<br>(18 months) | At the discretion of the ESO, additional time for construction of assets can be agreed prior to service commencement.<br>Where a provider can deliver a service ahead of the planned deadline without incurring excessive cost, we invite them to notify us within their submission, and where possible and economic, we may be able to agree an earlier target commencement date. |
| Service commencement | 1 July 2025                          | Once construction has completed, the ESR contract will commence following successful completion of a commissioning test.   |
| Assurance activities | Ongoing                              | Based on contract terms, providers will be subject to routine ESR tests which are scheduled normally after every three years.  |
| Service expiry       | July 2030                            | Providers will be contacted before the final date.   |