

# Early Competition Plan

Appendix 3 – ITT Skeleton

April 2021



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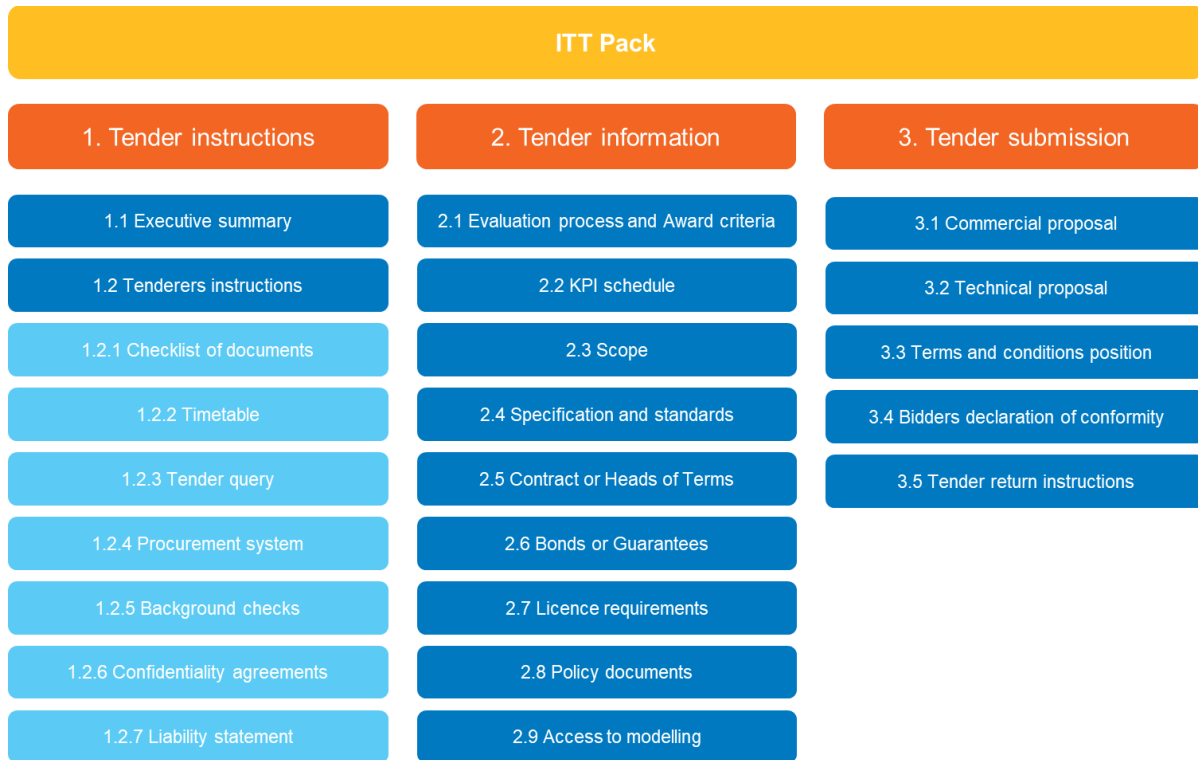
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# 1 Proposed Structure

Figure 1: Invitation to Tender (“ITT”) pack skeleton structure



## 2 Indication of expected content

Table 1: Indicative expected content

Section	Folders	Indication of expected content
1.0	<b>Tender instructions</b>	
1.1	Executive summary	<ul style="list-style-type: none"> <li>General overview of background, purpose and expected outcomes of the event.</li> </ul>
1.2	Tenderers instructions	<ul style="list-style-type: none"> <li>A pack that sets out specific instructions on how to complete and respond to the ITT to ensure a standardised approach to response.</li> </ul>
1.2.1	Checklists of documents	<ul style="list-style-type: none"> <li>An index of all documents being issued to bidders and identifies which ones will need to be returned as part of the submission</li> </ul> <p>This will also set out the status of the documents (final or draft) and which stage of the process they are relevant to.</p>
1.2.2	Timetable	<ul style="list-style-type: none"> <li>Sets out key dates and timescales for activities, indicating which are fixed, which are provisional and clearly indicates deadlines</li> <li>Will include provision for the Procurement Body to amend the timetable as it sees fit</li> <li>Will include instructions on how and when bidders can request extensions to deadlines and how a decision will be made by the Procurement Body on such request.</li> </ul>
1.2.3	Tender query	<ul style="list-style-type: none"> <li>Template and instructions on how to submit clarification questions on the tender documentation to the Procurement Body and an explanation of the response process</li> <li>Detailed explanation of the process to manage all technical queries throughout the event including key dates/cut off points</li> <li>A description of the process bidders will be expected to follow in the event they wish to make a challenge to a process or decision.</li> </ul>
1.2.4	Procurement system	<ul style="list-style-type: none"> <li>Introduction and access details relating to the portal/system being used by the Procurement Body to administer the event.</li> </ul>
1.2.5	Background checks	<ul style="list-style-type: none"> <li>Details and process for all required background checks on bidder/consortium members and individuals involved in the bidder's teams.</li> </ul>
1.2.6	Confidentiality agreements	<ul style="list-style-type: none"> <li>Documents to be signed and returned before access to subsequent '2. Tender information' and '3. Tender submission' sections of the ITT, when made available.</li> </ul>
1.2.7	Liability statement	<ul style="list-style-type: none"> <li>Document setting out the Procurement Body and bidders' respective liabilities. This would include (but not be limited to) areas such as</li> </ul>

Section	Folders	Indication of expected content
		<p>accuracy and quality of information, allocation of financial risks associated with participation and ongoing obligations on bidders to notify the Procurement Body of any changes made to their bid submission at any stage of the process</p> <ul style="list-style-type: none"> <li>• Document setting out legal/regulatory regimes that apply to the event</li> <li>• Document setting out financial obligations/cost schedule.</li> </ul>
<b>2.0</b>	<b>Tender information</b>	
2.1	Evaluation process and Award criteria	<ul style="list-style-type: none"> <li>• An explanation of the different criteria, weightings and scoring methodology that will be used at relevant stages of the process</li> <li>• An explanation of the evaluation process including an explanation of the phases and how they will be conducted e.g. site visits, desktop, 3<sup>rd</sup> party assessment, expert reports, etc</li> <li>• Description of what is required to pass/fail and descriptions of scoring criteria, including what technical information will be required in support of submissions</li> <li>• A detailed description of how the final award decision will be made</li> <li>• Set out the approach to variant bids, where applicable.</li> </ul>
2.2	KPI schedule	<ul style="list-style-type: none"> <li>• Set out any required reporting or KPIs required by bidders during the event and post award.</li> </ul>
2.3	Scope	<ul style="list-style-type: none"> <li>• A technical description of the need that is being tendered</li> <li>• Details of the reference design and confirmation that this is not a binding design or part of the evaluation criteria</li> <li>• Any supporting reports or studies associated with the reference design.</li> </ul>
2.4	Specification and standards	<ul style="list-style-type: none"> <li>• A list of all relevant technical specifications and standards that the proposed solutions will need to conform to and for which bidders will need to demonstrate compliance with as part of the evaluation process.</li> </ul>
2.5	Contract or Heads of Terms	<ul style="list-style-type: none"> <li>• Copy of contract(s) bidders will be agreeing to if they win the event with a non-network solution</li> <li>• Explanation of the approach to terms and conditions including whether deviations/negotiations will be allowed</li> <li>• If contracts are not available, Heads of Terms will be included as the basis of future contract(s) to be developed.</li> </ul>

Section	Folders	Indication of expected content
2.6	Bonds or Guarantees	<ul style="list-style-type: none"> <li>Sets out details of the Bonds and/or Guarantees (if any) required as a condition of participation.</li> </ul>
2.7	Licence requirements	<ul style="list-style-type: none"> <li>Information relevant to the bidder securing an appropriate licence should their proposal require one i.e. as a network solution</li> <li>Set out obligations on bidders to ensure they take appropriate action to secure any required licence.</li> </ul>
2.8	Policy documents	<ul style="list-style-type: none"> <li>A set of all policy documents that the bidder proposals will need to demonstrate how compliance will be achieved e.g. Supplier Code of Conduct, Safety and Wellbeing, Environmental, Sustainability, Modern Slavery, Conflict Minerals, etc.</li> </ul>
2.9	Access to modelling arrangements	<ul style="list-style-type: none"> <li>Set out how bidders will receive access to the system modelling capability to develop and optimise their solutions.</li> </ul>
<b>3.0</b>	<b>Tender submission</b>	
3.1	Commercial proposal	<ul style="list-style-type: none"> <li>Set out the financial input assumptions to be used by all bidders where required</li> <li>A set of all required templates to be completed by the bidders at each stage</li> <li>Depending on the tender approach, copies of all proposed contracts</li> <li>Guidance on how bidders should set out and present additional materials.</li> </ul>
3.2	Technical proposal	<ul style="list-style-type: none"> <li>Set out the level of detail and quality required for technical information, linking back to evaluation criteria and specified standards</li> <li>A set of all required templates to be completed by bidders at each stage</li> <li>Guidance on how bidders should set out and present additional materials.</li> </ul>
3.3	Terms and conditions position	<ul style="list-style-type: none"> <li>Instructions on how contracts and terms and conditions will be developed as the process progresses.</li> <li>Event dependent: <ul style="list-style-type: none"> <li>Confirmation of agreement to contracts/terms and conditions</li> <li>Mark ups for negotiation during relevant stages</li> <li>Final draft contracts/terms and conditions.</li> </ul> </li> </ul>
3.4	Bidders declaration of conformity	<ul style="list-style-type: none"> <li>All required documentation from bidders to demonstrate conformity in all required areas</li> </ul>

Section	Folders	Indication of expected content
3.5	Tender return instructions	<ul style="list-style-type: none"><li>• Document setting out the process for submitting tender documents at relevant tender stages.</li></ul>

### 3 Submission requirements for ITT (Stage 2) Technical Requirements

Bidders are expected to provide information and evidence against all of the following:

- Deliverability and delivery plan
- Supply chain strategy
- Contracts i.e. Engineering, Procurement and Construction (“EPC”) and Operating and Maintenance (“O&M”)
- Financing strategy
- Planning and consenting strategy
- Environmental impact
- Approach to costing.

#### 3.1 Deliverability and delivery of the plan

This should set out at a minimum:

- A detailed project timeline including milestones, timescales, interdependencies and any underlying assumptions
- The delivery plan should set out the expected steps from contract/licence award through preliminary works, mobilisation, site selection and land purchase, site preparation works, detailed design, consenting and planning, cost assessment, debt competition and construction
- Internal governance and approval arrangements
- Approach to stakeholder engagement including Transmission Owners, planning bodies, local stakeholders
- A review of the design in relation to the need being tendered
- Analysis of the likelihood of the solution to gain all required consents and elements of planning permission
- Analysis of the engineering and technical aspects of the project including technological precedents in the UK and in comparable jurisdictions
- Analysis of the operational aspects of the project in particular in relation to any operational incentives set out in the contract or the minimum availability levels, including in relation to any possible connection restrictions, etc
- Approach to connecting with the existing network noting a connection agreement application is not submitted until the Preferred Bidder stage
- Assessment of whether the design meets good quality engineering design practices and the design and construction standards specified in the Grid Code, System Operator Transmission Owner Code and Security and Quality of Supply Standard (as appropriate)
- High-quality evidence for this element would include a third-party report from an organisation with appropriate technical or engineering credentials verifying that the design meets industry standards and addresses the need
- Approach to risk management and approaches to dealing with change.

#### 3.2 Supply chain strategy

This should set out at a minimum:

- The objectives and vision for the management of the supply chain across the project lifecycle



- A description of the expected contractual arrangements clearly setting out which party is expected to undertake which activity and how the bidder will manage them e.g. consortia, Special Purpose Vehicle, sub-contractors, etc
- Key geographical and economic considerations for supply chain management e.g. site access, price fluctuations of input materials, competition in the market, etc
- The approach to risk allocation and management through the supply chain
- Supply chain implementation plans
- The monitoring and reporting requirements of the supply chain
- High-quality evidence would involve a third-party report from an appropriate organisation, verifying that the steps and assumptions underlying the supply chain strategy are reasonable and justified.

### 3.3 Contracts (EPC and O&M)

This should include as a minimum:

- Heads of Terms of the EPC contractor
- Heads of Terms for the O&M contractor(s)
- Contracts for legal, technical and financial advisors
- Commitment margins
- Governing documents of the consortia
- High-quality evidence for each would involve the final signed contracts for key sub-contractors identified in the delivery plan.

### 3.4 Financing strategy

This should include as a minimum:

- Equity commitment - including an Internal Rate of Return
- A financing adviser who has developed a strategy
- Exploration of the sources of debt finance
- Acceptance of the assumed level of leverage in the financial model
- Potential refinancing opportunities
- Description of the current debt market and expected structure of debt
- Description of any lifecycle or debt service reserve accounts or facilities
- High-quality evidence for this would involve a third-party report from an entity with financial credentials verifying the approach and underlying assumptions of the financing strategy.

### 3.5 Planning and consenting strategy

This should include as a minimum:

- The expected planning route e.g. Development Consent Order or Town and Country
- Identification of key elements to be addressed as part of the Environmental Impact Assessment ("EIA") based on local ecological and environmental considerations
- Any rail or road crossings that will require consent through Network Rail or Highways England
- Expected timescales of planning and consenting processes
- Any public engagement that is expected to support these applications

- Key areas of challenge as part of the planning and consenting process such as an Area of Outstanding Natural Beauty or sensitive ecological considerations
- If relevant, any regional planning or consenting specificities are reflected in the bids
- High-quality evidence for this would involve a third-party report from an organisation with consenting or planning credentials verifying the approach and underlying assumptions.

### 3.6 Environmental impact

This should include as a minimum:

- Estimate of residues and emissions from the construction, operation and decommissioning
- Estimates of the environmental constraints and opportunities of the concept design
- Assessment of the likely impacts of the development
- Plan for undertaking an EIA - highlighting key challenges and mitigations
- High-quality evidence for this would be a third-party report from an organisation who specialise in EIA and a low overall impact following mitigation
- Environmental Action Plan and approach to development of an Annual Environmental Report.

### 3.7 Approach to costing

This should include as a minimum:

- The benchmarks used to cost the different stages of the project lifecycle
- The assumptions underlying the approach
- High-quality evidence for this element would include a third-party report from an engineering or economic consultancy verifying the approach taken and underlying assumptions used to develop the cost estimates.





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