

# Tender Instructions

NOA Stability Pathfinder Phase 2 Tender



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## 1 Introduction

Market participants who have passed the Expression of Interest and Feasibility stages are invited to submit their Tender in accordance with the documents listed in Appendix A, which comprise this Invitation to Tender pack (the “**ITT Pack**”) for the **NOA Stability Pathfinder Phase 2 Tender** (the “**Tender Event**”).

If there is any inconsistency or conflict between the terms of these Tender Instructions and any other document comprised in the ITT Pack, the provisions of the Tender Instructions shall prevail.

The purpose of this document is to help those participating in the Tender Event (each a **Tenderer**) navigate around the Tender documentation and provide key instructions and guidelines on the key requirements of the Tender submission (“a **Tender**”).

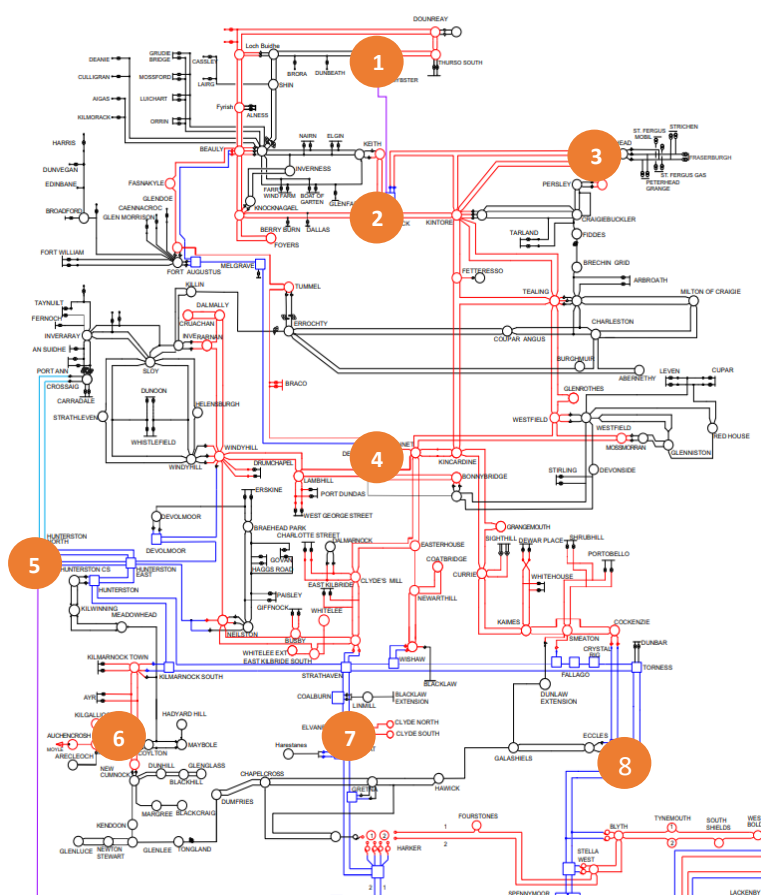
### NOA Pathfinder Stability Phase 2 Background

NGESO are looking to procure 8.4GVA of short circuit level (SCL) at specific locations in Scotland and 6 GVA.s of inertia across Scotland.

These locations are:

Location	Ref	Requirement (MVA)
Spittal	1	600
Blackhillock	2	1,300
Peterhead	3	1,300
Longannet area	4	600
Hunterston	5	1,200
Mark Hill/ Coylton area	6	400
Moffatt/ Elvanfoot area	7	1,800
Eccles area	8	1,200
<b>Total</b>		<b>8,400</b>

Scotland	Requirement (MVA.s)
Inertia	6,000
<b>Total</b>	<b>6,000</b>



Phase 2 services can commence at any point from 1<sup>st</sup> September 2022, with an end date of 31 March 2034.

## 2 Conditions of submitting a tender

By submitting a Tender in the Tender Event, Tenderers (for the avoidance of doubt, this includes any and all consortium members and/or subcontractors) are agreeing to be bound by the terms of this ITT Pack and the standard Service Agreement without negotiation or material amendment.

Information that is supplied to Tenderers as part of this Tender Event is supplied in good faith. The information contained in the ITT Pack and the supporting documents and in any related written or oral communication is believed to be correct at the time of issue but NGENSO will not accept any liability for its accuracy, adequacy or completeness and no warranty is given as such.

This includes indicative costs and timescales provided by Network Operators as part of the Connection Review. Tenderers should account for risk of changes to these when preparing their Tender as NGENSO will not consider amendments to contract prices following contract award.

This includes but is not limited to Ofgem's recent announcement on the treatment of synchronous compensators which can be found [here](#) and the recent announcement on Ofgem's minded-to position on TO Licences for operation of a shunt reactor which can be found [here](#).

Any reliance by a Tenderer or any third party on the information provided by NGENSO as part of this Tender Event is at the Tenderer's and/or any third party's risk.

### 3 Amendments to the ITT

At any time prior to the deadline for submitting Tenders, NGESO may issue amendments or clarifications to any of the documents contained in the ITT Pack. This information will be issued to all Tenderers through the ARIBA platform, upon which any such amendment or information will become part of the ITT Pack and must be treated as such by the Tenderer.

It is the responsibility of the Tenderer to ensure they have all the correct and updated information and that Tender responses comply with any updated or new information that is provided. In preparing the submission the Tenderer will be deemed to have taken account of all bulletins in its submitted Tender. If appropriate to ensure Tenderers have reasonable time in which to take such amendment into account, the timeline shall, at the discretion of NGESO, be extended. Tenders must comply with any amendment made by NGESO or they will be rejected.

### 4 Submission Deadline

The deadline for submissions to the Tender Event is **17:00 on Friday 14th January 2022**.

All Tenders must, unless otherwise agreed in writing, be submitted online through Ariba. If Tenderers face any technical challenges in uploading their submission via Ariba, they are encouraged to inform NGESO at the earliest possibility.

Further information regarding the submission is listed below in section 8 (Return of Tenders using Ariba).

### 5 Tender Submission Guidance

Tenderers will be able to propose multiple solutions within their Tenders.

Wherever possible, Tenderers should confirm the name of the contracting entity for each solution put forward as part of their Tender. This means that for Tenderers who are parent companies of subsidiaries/Special Purpose Vehicles (SPVs) intended to be the contracting entity will be able to confirm which subsidiary/SPV would be the contracting entity against each solution that is proposed, rather than needing to submit completely separate Tenders for each subsidiary/SPV.

#### Example

Company A puts forward 5 solutions within their Tender and would be the contracting entity for any of those 5. In the submission document, the tenderer would list 'Company A' as the contracting entity for each solution.

Company B put forward 5 solutions in their Tender, but the contracting entity for each solution would be different a subsidiary, or SPV, set up under Company B (e.g. CompanyB1, CompanyB2). In the submission document the relevant subsidiary or SPV that would be the contracting entity should be confirmed against each solution wherever possible.

#### *Joint Ventures*

If a Tenderer is submitting a Tender as a group / consortium (including any joint venture) (a "Group"), the following information must be provided in an additional document to Tender submission:

- a. Company names of all Group members; and
- b. the Group lead (the entity with responsibility for submitting the Tender) should make it clear who the lead member of the group is, and
- c. if known, the entity expected to be contractually responsible for delivery of the contract; and
- d. if the Group is formed as / intends to form a separate legal entity to be contractually responsible for delivery of the contract, full details of the actual or proposed percentage shareholding of the constituent members within the new legal entity if known; or
- e. if the Group is not proposing to form a separate legal entity, full details of the proposed arrangements between the Group members.

Notwithstanding any indication by a Group that they do not intend to form a separate legal entity, NGESO may require the Group to assume a specific legal form if awarded the contract, to the extent that a specific legal form is deemed by NGESO as being necessary for the satisfactory performance of the contract.

By electing to submit a response and accepting these Instructions, the Tenderer (including all entities which are being relied upon to meet the requirements of the Tender, each sub-contractor that is intended to play a significant role in delivering key contract requirements and, where the Tenderer is a Group, all members of the Group, as applicable) signifies its agreement to:

- a. keep and maintain the information contained in the ITT Pack (including any addenda thereto, any clarifications or contact details issued by NGESO) confidential. This obligation shall survive the Tender Event and shall apply whether the Tenderer is successful or not. Any Tenderer which does not intend to submit a response shall be subject to the same confidentiality obligations hereunder. NGESO requires each Group member to enter the Confidentiality Agreement set out in Ariba; and
- b. where members of a Group are submitting Tender responses individually in addition to as part of a Group, that the terms of the Non-Collusion Agreement set out in Ariba will be adhered to.

Tenderers are reminded that it is not possible for a Group to dissolve and for individual members to submit a Tender separately if those individual members have not registered as individuals and provided separate Confidentiality Agreements and Non-Collusion Agreements.

Furthermore, it is not possible for a Group to dissolve and new Tenders to be submitted for individual member(s) after the Tender submission deadline has passed.

Tenderers are reminded that NGESO must be notified immediately of any changes, or proposed changes, in relation to information provided by a Tenderer in their Tender response (including in relation to the bidding entity e.g. Group members) so that a further assessment can be carried out.

ESO reserves the right to eliminate a Tenderer prior to any award of a contract, either based on an assessment of the updated information where that assessment is carried out in accordance with the Commercial Assessment Methodology or where a Tenderer fails to disclose any such change.

## 6 ARIBA

Ariba is the name of a web-based document management and collaboration solution that allows NGESO to communicate and share the latest ITT Pack information with Tenderers, in a secure online environment. The system enables tasks to be generated, information to be issued, and requests for information to be routed to the right people for action and subsequent follow-up.

### eSourcing guide and helpline

All system related questions will need to be submitted through the Ariba Help Centre.

## 7 Tenderer to Provide Password

When Tenderers are confirming their intention to submit a Tender, Tenderers are required to provide a confidential password to NGESO via Ariba. This password will be used by NGESO throughout the Tender Event to communicate any confidential information to the Tenderer.

When creating a password, it must be at least 8 characters long and should include at least one lower case, one upper case, one number and one special character e.g.

Special@123

Pa55word!

## 8 Return of Tenders using ARIBA

Tenderers must return via Ariba the fully completed form titled '*Stability Phase 2 Tender Submission Proforma*' together with any supporting documentation by the tender submission deadline.

Tenders must comprise the following:

- One password-protected file via Ariba (upload all response documents into one zipped folder in section 2). Please note the information system capacity constraints – Ariba uploads are limited to 20mb per section. Please use additional information fields provided to further upload

When requested to do so by NGESO, and in any event at the end of the Tender Event, Tenderers are required to destroy all copies of the ITT Pack documentation which have been issued as part of this ITT.

Tenderers must submit their Tender submissions in the format requested by NGESO. If NGESO has requested that a response is restricted to a maximum number of words, this must be adhered to as part of a response in excess of the maximum word count will be rejected. Every answer provided must clearly state the question number it relates to.

Any additional documents, attachments and appendices provided must clearly state the company name and the question number it relates to using the following document naming convention

[Name] – [Commercial/Technical] – [Question No].

Failure to comply may invalidate the submission. **Special characters (&, %, \$, £, ~, # etc) must not be used in document names.**

## 9 Rejection of tender responses or other documents

A Tender or any other document requested by NGESO as part of the Tender Event may be rejected (at NGESO's discretion) if, but not limited to, 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 of the documents issued by NGESO forming part of the ITT Pack;
- contains any caveats or any other statements or assumptions qualifying the Tender response that are not capable of evaluation in accordance with the evaluation model or requiring changes to any documents issued by NGESO in any way;
- is not submitted in a manner consistent with the provisions set out in these instructions;
- is quoted in any currency other than pounds sterling;
- does not include a completed Tender Submission Proforma, including a completed declaration at tab 2;
- is received after the tender deadline.

## 10 Amendments to Tenders

Tenders can be amended at any time before the closing time and date for submission. The latest submission at the time of the tender deadline shall be used in the tender assessment.

Tenders submitted at the time of the tender deadline will be treated as 'full and final' and not considered for any subsequent amendments.

## 11 Withdrawal of tenders

Providers may withdraw their Tenders via Ariba and followed up by notifying NGESO, to be received at any point prior to the tender submission deadline.



## 12 Supplementary Information

Any additional documents, attachments and appendices provided must clearly state the Tenderers name and the question number it relates to using the following document naming convention

[Name] – [Commercial/Technical] – [Question No].

Failure to comply may invalidate the submission. **Special characters (&, %, \$, £, ~, # etc) must not be used in document names.**

## 13 Language

Tender submissions, supporting documents and subsequent communications relating to this Tender Event shall be in the English language.

## 14 Currency

The main offer must quote prices in pounds sterling. All payments made under any subsequent contract shall be made in pounds sterling

## 15 Validity of Tender

Tenders shall remain valid for acceptance for a period of **180-days** from the date fixed for the submission of Tenders.

## 16 Sufficiency and Accuracy of Tenders

By submitting a Tender, Tenderers will be confirming that they have examined all the documents comprising the ITT Pack (and any amendments or additions thereto issued by NGESO during the Tender Event).

It is a Tenderer's responsibility to check the completeness and accuracy of their Tender prior to its submission. Errors or omissions may result in the Tender being rejected or disqualified at the discretion of NGESO.

## 17 Third party verification

By submitting a Tender, the Tenderer irrevocably consents to NGESO carrying out all necessary actions to verify the information that they have provided.

## 18 Qualified Tenders

Once Tenderers have uploaded their submissions and the Tender submission deadline has closed Tenderers **must not** amend any part of their submitted Tender documents. A qualified Tender or any alteration, omission made without the prior consent of NGESO to any NGESO document forming part of the ITT Pack may result in the Tender being disqualified at the discretion of NGESO.

## 19 Sub-consultants/Sub-contractors

NGESO will not respond to any direct approach from such potential sub-consultants/sub-contractor for details about this ITT.

## 20 Suspension or Cancellation of Tender Event

By issuing this ITT, entering into clarification communications with Tenderers or by having any other form of communication with Tenderers, NGESO is not bound in any way to enter into any contractual or other arrangement with any Tenderer. This Tender Event will take place in accordance with the provisions of this ITT Pack but NGESO reserves the right to terminate, suspend, amend or vary (to include, without limitation, in relation to any timescales or deadlines) this Tender Event by notice to all Tenderers in writing. NGESO will have no liability for any losses, costs or expenses suffered or incurred by Tenderers as a result of such termination, suspension, amendment or variation.

## 21 Award Procedure

NGESO will assess Tenders in line with the Final Assessment Methodology included in this ITT Pack. This will compare market-based solutions alongside transmission network owner options and may recommend a mix of both.

For the avoidance of doubt, an outcome could be that no market tender and/or no transmission network owner options are selected if:

- none of the solutions considered provides economic benefits against the forecasted alternative cost of maintaining stability through the Balancing Mechanism (BM);
- only part of the requirement may be awarded to a commercial market participant and/or Network Owner where it is economic to do so, whilst the remaining requirement is sought through the BM.

Additionally, Tenderers should be aware that multiple solutions may be selected at a single site where multiple connections bays are shown to be available by the relevant transmission network owner.

Should a transmission network owner be successful in this NOA Stability Pathfinder Phase 2, it will perform the service as a regulated activity through the price control while successful market participants will perform the service under a Service Agreement.

## 22 Acceptance of Tender

No Tender or any part of it shall be deemed to have been accepted by NGESO unless such acceptance has been notified to the Tenderer by a notice in writing from a NGESO representative.

NGESO unconditionally reserves the right to reject any or all Tenders, to waive any requirements in the Tenders received, to accept any Tender whether or not it is the lowest Tender received, or to not make any award of contract.

Unless otherwise stated, NGESO gives no assurance that any contract let in connection with this enquiry will be exclusive.

## 23 Signature of Service Agreement

Where a Tender is accepted by NGESO, then the Tenderer must sign the Service Agreement, within 15 business days of receiving an execution version of the Service Agreement in accordance with paragraph 31 (*Conditions of Contract*).

The deadline for contract signature will be confirmed in the tender award notification letters sent to Tenderers along with information whether the tender award is linked to another party also signing their contract.

NGESO reserves the right to re-evaluate Tenders in line with the assessment methodology if any successful Tenderer fails by the specified deadline to enter into a Service Agreement.

If within the 15 working day period an unlinked contract does not sign, NGESO reserve the right to re-evaluate that party's solution(s) and procure the most economic replacement(s).

If within this 15 working day period any of the linked contracts do not 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 working day period this will not be required.

No information set out or referred to in this ITT Pack shall form the basis of any contract. Any successful Tenderer shall be required to enter into a Service Agreement, acknowledging that it has not relied on, or been induced to enter into such an agreement by, any representation, warranty, assurance or undertaking save as expressly set out in that agreement. This ITT Pack does not exclude any liability for, or remedy in respect of, fraudulent misrepresentation.

## 24 Communications

All communications by Tenderers with NGESO during the Tender period must be conducted through Ariba via the message board

## 25 Tender Bulletins

During the Tender period NGESO may issue changes or clarifications to the ITT Pack by way of Tender bulletins through Ariba to all Tenderers, deleting, varying or amending any item in the documents comprising the ITT.

Any such bulletin(s) shall then become part of the ITT Pack and must be treated as such by the Tenderer. In preparing the submission the Tenderer will be deemed to have taken account of all bulletins in its submitted Tender.

When issuing bulletins, NGESO may (at its discretion) grant an extension of time for the submission of Tenders.

The Tenderer should note that NGESO will not issue any Tender bulletin(s) within **five** working days of the deadline for the submission of Tenders.

## 26 Tender Queries

It is a Tenderer's responsibility to ensure that they have received **ALL** of the documents comprising the ITT Pack and that each document is complete in the number of pages and the reproduction of each page.

If any omissions or discrepancies are discovered in any of the documents forming the ITT Pack, or are in any doubt as to their meaning, Tenderers should contact NGESO without delay, requesting clarification prior to submitting their Tender.

Any queries **must** be submitted in writing on the Tender Query Form via the ARIBA message board not later than **ten** calendar days prior to the Tender submission deadline.

Where Tenderers believe their queries are confidential, this must be stated in the title of the tender query form. If on receipt of a query NGESO believe the query not to be confidential, NGESO will confirm this with the relevant Tenderer and seek agreement that the response can be made available to all participants. If the relevant Tenderer does not agree with NGESO's determination that the query is not confidential it will be able to withdraw the query.

## 27 Tender Expenses

Tenderers are responsible for obtaining all information necessary for preparation of their Tender response and for all costs and expenses incurred in preparation of the Tender response. Tenderers accept by their participation in this Tender Event, including without limitation the submission of a Tender, that they will not be entitled to claim from NGESO any costs, expenses or liabilities that they may incur in participating in this Tender Event irrespective of whether or not their Tender is successful.

## 28 Confidentiality

All details of the ITT Pack and associated documents must be treated as private and confidential and shall not be disclosed to any other party, except where this is necessary for Tenderers to prepare and submit their Tenders. They must ensure that they have an adequate confidentiality agreement in place with any subcontractors, funders, consultants or agents before issuing them with any information concerning the requirements of this Tender. Only that part of the information concerning the requirements as is essential to obtain quotations from potential subcontractors, consultants or agents must be released.

NGESO reserves the right to require Tenderers to provide evidence that such confidentiality agreements are in place. In the event that the Tenderer is not in compliance with these provisions, NGESO reserves the right to disqualify the Tenderer from further participation in the event.

## 29 Tenderer conduct and conflicts of interest

Any attempt by Tenderers or their advisors to influence the contract award process in any way may result in the Tenderer being disqualified. Specifically, Tenderers shall not directly or indirectly, at any time:

- (a) devise or amend the content of their Tender in accordance with any agreement or arrangement with any other person, other than in good faith with a person who is a proposed subcontractor, funder, consultant or agent;
- (b) enter into any agreement or arrangement with any other person as to the form or content of any other **Tender**, or offer to pay any sum of money or valuable consideration to any person to effect changes to the form or content of any other Tender;
- (c) enter into any agreement or arrangement with any other person that has the effect of prohibiting or excluding that person from submitting a Tender;
- (d) canvass NGESO or any employees or agents of NGESO in relation to this procurement; or
- (e) attempt to obtain information from any of the employees or agents of NGESO or their advisors concerning another Tenderer or Tender.

Tenderers are also responsible for ensuring that no conflicts of interest exist between the Tenderer and its advisers, and NGESO and its advisers. This covers any situation where relevant staff members of the Tenderer have, directly or indirectly, a financial, economic or other personal interest which might be perceived to compromise their impartiality and independence in the context of the procurement procedure.

Any Tenderer who fails to comply with these requirements may be disqualified from the procurement at the discretion of NGESO.

## 30 Contracting Entity

Tenderers should be aware that any contract(s) awarded as a result of this Tender will be entered into with NGESO, unless otherwise stated in a particular instance.

## 31 Conditions of Contract

The chosen form of contract for this requirement: Service Agreement for the Provision of a Stability Compensation Service included in the Tender documents.

These are the terms on which NGESO wishes to contract.



Tenderers should note that where a Tenderer is successful in being awarded the contract, the proforma contract will be amended to incorporate information from the relevant ITT Pack documentation and the winning Tender (including any clarifications) in each case, as applicable.

### **32 Publication of Tender Information**

Under clause 14 (*Disclosure of Information*) of the Service Agreement, NGESO will have the right to publish the details of all Tenders on the ESO website. By participating in the Tender Event, Tenderers consent to such publication regardless of whether they are successful and enter into a Service Agreement or not.

## Appendices

### Appendix A

ITT Pack documents

NOA Pathfinder Stability Phase 2	
Document Name	Tenderer's Required Action
Invitation to Tender Letter	For Information
Tender Declaration	For Completion and Return
Tender Instructions	For Information
Tender Submission Proforma	For Completion and Return
Project Plan Report Submission Proforma	For Information
Service Agreement for the Provision of a Stability Compensation Service	For Information
Final version of Assessment Methodology	For Information
Credit Policy Statement	For Information
Ariba Guidance Document	For Information
Proving Test Guidance Document	For Information

### Appendix B

Tender Timetable

NOA Pathfinder Stability Phase 2	
Task	Date
Invitation to tender published	Monday 8 <sup>th</sup> November 2021
Tender submission deadline	Friday 14 <sup>th</sup> January 2022 17:00
Tender results published	Friday 4 <sup>th</sup> March 2022 17:00
Contracts signed with successful providers	Friday 25 <sup>th</sup> March 2022 17:00 (exact date will be specified in the tender award letter)
Service Term	Thursday 1 <sup>st</sup> September 2022* 00:00 – Friday 31 March 2034 *Solutions with later start dates can participate and will be assessed in line with the Assessment Methodology.

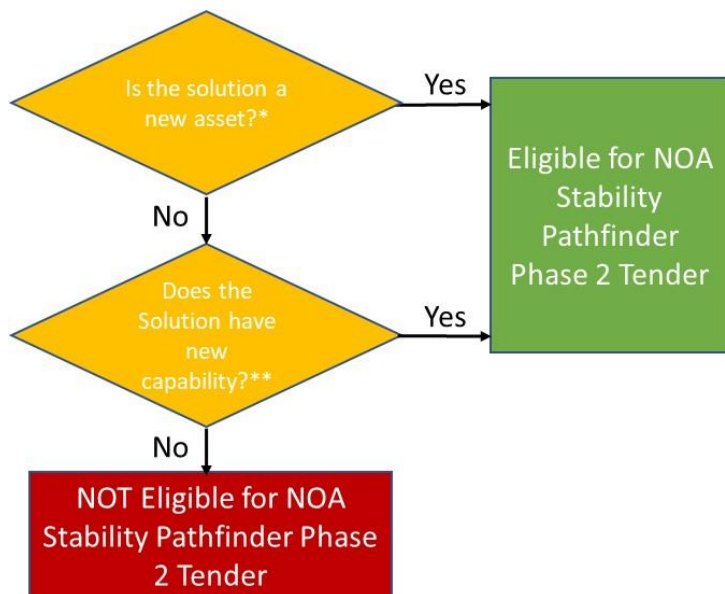
### Appendix C

Additionality Criteria

As part of the NOA stability pathfinder Phase 2, NGESO are looking to buy additional capability beyond that which is currently available either by being dispatched as part of the energy market or by being brought onto the system through the ESO control room actions in the BM.

NGESO has therefore set up the following criteria to define additionality to allow a solution to bid into the NOA Stability Pathfinder Phase 2.

Please note that the additionality criteria were considered in the EOI and feasibility study stages and should be maintained in the Tender submission.



\* The solution must be new build for the purpose of the stability pathfinder to be eligible to tender. Any providers that are in the TEC register [1] or have a signed connection agreement [2] will be considered to be existing plant and will NOT be considered to be new build for these purposes.

\*\* Tenderers with existing assets must demonstrate that they are increasing their capability to provide SCL and/or inertia above what is currently provided or are implementing the new capability to operate at or below 0MW to be eligible to participate in the Tender Event. Suitable options include (but are not limited to) a converter retrofitting grid forming capability, an existing synchronous machine increasing its SCL or inertia, or an existing generator converting to operate at 0MW.

[1] TEC register as per 15<sup>th</sup> July 2019

[2] Connection agreement signed on or before 15<sup>th</sup> July 2019