

# Invitation to Quote

**Invitation to Quote (ITQ) on behalf of The Department for Business,  
Energy and Industrial Strategy**

**Subject: Market-based framework for CCUS in power**

**Sourcing Reference Number: CS18077**



**UK Shared Business Services Ltd (UK SBS)**  
[www.uksbs.co.uk](http://www.uksbs.co.uk)

Registered in England and Wales as a limited company. Company Number 6330639.  
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VAT registration GB618 3673 25  
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Version 3.6

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# Section 1 – About UK Shared Business Services

## Putting the business into shared services

UK Shared Business Services Ltd (UK SBS) brings a commercial attitude to the public sector; helping our Contracting Authorities improve efficiency, generate savings and modernise.

It is our vision to become the leading service provider for the Contracting Authorities of shared business services in the UK public sector, continuously reducing cost and improving quality of business services for Government and the public sector.

Our broad range of expert services is shared by our Contracting Authorities. This allows Contracting Authorities the freedom to focus resources on core activities; innovating and transforming their own organisations.

Core services include Procurement, Finance, Grants Admissions, Human Resources, Payroll, ISS, and Property Asset Management all underpinned by our Service Delivery and Contact Centre teams.

UK SBS is a people rather than task focused business. It's what makes us different to the traditional transactional shared services centre. What is more, being a not-for-profit organisation owned by the Department for Business, Energy & Industrial Strategy (BEIS), UK SBS' goals are aligned with the public sector and delivering best value for the UK taxpayer.

UK Shared Business Services Ltd changed its name from RCUK Shared Services Centre Ltd in March 2013.

Growing from a foundation of supporting the Research Councils, 2012/13 saw Business, Energy and Industrial Strategy (BEIS) transition their procurement to UK SBS and Crown Commercial Services (CCS – previously Government Procurement Service) agree a Memorandum of Understanding with UK SBS to deliver two major procurement categories (construction and research) across Government.

UK SBS currently manages £700m expenditure for its Contracting Authorities. Our Contracting Authorities who have access to our services and Contracts are detailed [here](#).

## **Privacy Statement**

At UK Shared Business Services (UK SBS) we recognise and understand that your privacy is extremely important, and we want you to know exactly what kind of information we collect about you and how we use it.

This privacy notice link below details what you can expect from UK SBS when we collect your personal information.

- We will keep your data safe and private.
- We will not sell your data to anyone.
- We will only share your data with those you give us permission to share with and only for legitimate service delivery reasons.

<https://www.ukpbs.co.uk/use/pages/privacy.aspx>

## **Privacy Notice**

This notice sets out how the Contracting Authority will use your personal data, and your rights. It is made under Articles 13 and/or 14 of the General Data Protection Regulation (GDPR).

### **YOUR DATA**

The Contracting Authority will process the following personal data:

Names and contact details of employees involved in preparing and submitting the bid; Names, CVs and contact details of employees proposed to be involved in delivery of the contract; Names, contact details, qualifications and experience of employees who's CVs are submitted as part of the bid.

#### *Purpose*

The Contracting Authority are processing your personal data for the purposes of the tender exercise, or in the event of legal challenge to such tender exercise.

CVs are requested for information only. They will be reviewed as part of the tender exercise but will not contribute to the scoring qualification.

#### *Legal basis of processing*

The legal basis for processing your personal data is processing is necessary for the performance of a task carried out in the public interest or in the exercise of official authority vested in the data controller, such as the exercise of a function of the Crown, a Minister of the Crown, or a government department; the exercise of a function conferred on a person by an enactment; the exercise of a function of either House of Parliament; or the administration of justice.

#### *Recipients*

Your personal data will be shared by us with other Government Departments or public authorities where necessary as part of the tender exercise. The Contracting Authority may share your data if required to do so by law, for example by court order or to prevent fraud or other crime.

#### *Retention*

All submissions in connection with this tender exercise will be retained for a period of (7) years from the date of contract expiry, unless the contract is entered into as a deed in which case it will be kept for a period of (12) years from the date of contract expiry.

### **YOUR RIGHTS**

You have the right to request information about how your personal data are processed, and to request a copy of that personal data.

You have the right to request that any inaccuracies in your personal data are rectified without delay.

You have the right to request that any incomplete personal data are completed, including by means of a supplementary statement.

You have the right to request that your personal data are erased if there is no longer a justification for them to be processed.

You have the right in certain circumstances (for example, where accuracy is contested) to request that the processing of your personal data is restricted.

You have the right to object to the processing of your personal data where it is processed for direct marketing purposes.

You have the right to object to the processing of your personal data.

## **INTERNATIONAL TRANSFERS**

Your personal data will not be processed outside the European Union

## **COMPLAINTS**

If you consider that your personal data has been misused or mishandled, you may make a complaint to the Information Commissioner, who is an independent regulator. The Information Commissioner can be contacted at:

Information Commissioner's Office  
Wycliffe House  
Water Lane  
Wilmslow  
Cheshire  
SK9 5AF  
0303 123 1113  
[casework@ico.org.uk](mailto:casework@ico.org.uk)

Any complaint to the Information Commissioner is without prejudice to your right to seek redress through the courts.

## **CONTACT DETAILS**

The data controller for your personal data is:

The Department for Business, Energy & Industrial Strategy (BEIS)

You can contact the Data Protection Officer at:

BEIS Data Protection Officer, Department for Business, Energy and Industrial Strategy, 1 Victoria Street, London SW1H 0ET. Email: [dataprotection@beis.gov.uk](mailto:dataprotection@beis.gov.uk).

## Section 2 – About the Contracting Authority

### Department for Business, Energy & Industrial Strategy (BEIS)

The Department for Business, Energy and Industrial Strategy (BEIS) was created as a result of a merger between the Department of Energy and Climate Change (DECC) and the Department for Business, Innovation and Skills (BIS), as part of the Machinery of Government (MoG) changes in July 2016.

The Department is responsible for:

- developing and delivering a comprehensive industrial strategy and leading the government's relationship with business;
- ensuring that the country has secure energy supplies that are reliable, affordable and clean;
- ensuring the UK remains at the leading edge of science, research and innovation; and
- tackling climate change.

BEIS is a ministerial department, supported by 46 agencies and public bodies.

We have around 2,500 staff working for BEIS. Our partner organisations include 9 executive agencies employing around 14,500 staff.

<http://www.beis.gov.uk>

## Section 3 - Working with the Contracting Authority.

In this section you will find details of your Procurement contact point and the timescales relating to this opportunity.

Section 3 – Contact details		
3.1	Contracting Authority Name and address	Department for Business, Energy & Industrial Strategy (BEIS), 1 Victoria Street, London SW1H 0ET
3.2	Buyer name	Amelia Stroud
3.3	Buyer contact details	Professionalservices@uksbs.co.uk
3.4	Estimated value of the Opportunity	£45,833.33 ex VAT
3.5	Process for the submission of clarifications and Bids	<b>All correspondence shall be submitted within the Emptoris e-sourcing tool. Guidance Notes to support the use of Emptoris is available <a href="#">here</a>. Please note submission of a Bid to any email address including the Buyer <u>will</u> result in the Bid <u>not</u> being considered.</b>

Section 3 - Timescales		
3.6	Date of Issue of Contract Advert and location of original Advert	21/01/2019 Contracts Finder
3.7	Latest date/time ITQ clarification questions shall be received through Emptoris messaging system	28/01/2019 14:00pm
3.8	Latest date/time ITQ clarification answers should be sent to all Bidders by the Buyer through Emptoris	30/01/2019 14:00pm
3.9	Latest date/time ITQ Bid shall be submitted through Emptoris	06/02/2019 14:00pm
3.10	Date/time Bidders should be available if face to face/telephone clarifications are required	11/02/2019
3.11	Anticipated notification date of successful and unsuccessful Bids	13/02/2019
3.12	Anticipated Award date	13/02/2019
3.13	Anticipated Contract Start date	18/02/2019
3.14	Anticipated Contract End date	29/03/2019
3.15	Bid Validity Period	60 Days

## Section 4 – Specification

### Introduction

The Department for Business, Energy and Industrial Strategy (BEIS) brings together responsibilities for business, industrial strategy, science, innovation, energy and climate change. We are responsible for developing and delivering a comprehensive industrial strategy and leading the Government's relationship with businesses. We are responsible for ensuring that the country has secure energy supplies which are affordable, reliable and clean. We are responsible that the UK remains at the leading edge of science, research and innovation. Finally, we are responsible for tackling climate change.

Within the Department, the Carbon Capture, Usage and Storage (CCUS) Policy Team work to progress the Government's ambition that the UK should have the option of deploying CCUS at scale during the 2030s, subject to costs coming down sufficiently.

In November 2018, the Government published the 'UK CCUS Deployment Pathway: An Action Plan', which sets out the steps that Government and industry need to take in partnership to achieve our ambition of having the option to deploy CCUS at scale during the 2030s, subject to costs coming down sufficiently. The Action Plan is designed to enable the first CCUS facility in the UK, commissioning from the mid-2020s. In order to achieve this, our Action Plan aims to establish a cost-effective, investable, and sustainable pathway for CCUS that supports cost reduction and enables commercial deployment in the UK.

### Background to the Requirement

There is consensus, including through electricity system modelling done by BEIS, the Energy Systems Catapult<sup>1</sup>, and National Grid<sup>2</sup>, that there is a potential role for CCUS in decarbonising the electricity system, alongside an expansion of other forms of low- and zero-carbon generation. In particular, analysis has recognised the importance of firm, flexible low carbon power generation to achieve deep decarbonisation of the UK power sector<sup>3,4</sup>. CCUS could provide this capability. Further analysis from the FlexEVAL project shows the particular value of CCS to the UK's electricity system and quantifies that flexible CCS allows the integration of a greater amount of renewable energy than would be otherwise possible<sup>5</sup>.

The objective of this work is to provide advice to BEIS on how the standard Contract for Difference (CFD) can be adapted for CCUS power generation facilities. Power CCUS is eligible for a CFD as stated in the Contracts for Difference (Definition of Eligible Generator) Regulations 2014, and this has been the mechanism which was proposed for previous projects (e.g. those which participated in the CCS Competition). However, a CFD has not

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<sup>1</sup> Energy Technologies Institute LLP, Still in the mix? Understanding the system role of carbon capture, usage and storage, 2018. <https://www.eti.co.uk/insights/still-in-the-mix-understanding-the-system-role-of-carbon-capture-usage-and-storage>

<sup>2</sup> National Grid, Future Energy Scenarios, 2018. <http://fes.nationalgrid.com/fes-document/>

<sup>3</sup> Energy Research Partnership, Managing Flexibility Whilst Decarbonising the GB Electricity System, 2015. <http://erpuk.org/project/managing-flexibility-of-the-electricity-sytem/>

<sup>4</sup> Energy Technologies Institute LLP, A whole systems approach can help deliver the Clean Growth Strategy, 2017. <https://www.eti.co.uk/news/a-whole-energy-systems-approach-can-help-deliver-the-clean-growth-strategy>

<sup>5</sup> International Energy Agency Greenhouse Gas Research and Development Programme, Valuing Flexibility in CCS Power Plants, 2017. [https://ieaghg.org/exco\\_docs/2017-09.pdf](https://ieaghg.org/exco_docs/2017-09.pdf)

previously been granted for a CCUS project and it has been widely recognised that it is likely that the standard CFD would need to be tailored for power CCUS projects<sup>6,7</sup>.

Adapting the CFD is the primary focus of this work, and the detailed analysis is to be carried out on this mechanism alone. The successful contractor should also conduct a high level comparison of the suitability of an adapted CCUS CFD against other potential market-based mechanisms.

An initial phase of analytical work has been carried out by BEIS to assess the role of power CCUS in the electricity system. Drawing on this analysis, this second phase of work should provide specific and detailed options for design and operation of the CFD for power CCUS technologies.

## **Aims**

In November 2018 BEIS launched the 'UK CCUS Deployment Pathway: An Action Plan', which laid out the Government's ambition to deploy CCUS at scale during the 2030s, subject to costs coming down sufficiently. Part of the Government's policy designed to progress this ambition is a review of delivery and investment frameworks for CCUS. This is in order to identify and address commercial barriers to deployment in the UK. The review is considering delivery and investment frameworks across power CCUS, industrial CCUS, and carbon dioxide (CO<sub>2</sub>) transport and storage (T&S).

As part of the power CCUS workstream, we will keep under review the role of power CCUS and examine how it can provide the greatest value to the electricity system and support wider decarbonisation. We will consult on emerging findings, including potential market-based frameworks for power CCUS in the UK. This consultancy work supports this part of the review.

The object of this work is to provide advice to BEIS on how to ensure that power CCUS can be an investable proposition and, how the generic Contract for Difference<sup>8</sup> (CFD) could be appropriately adapted to support deployment of CCUS power plants. An important consideration will be to explore how flexible and/or baseload generation can be incentivised via the CFD.

Power CCUS is eligible for a CFD as stated in the Contracts for Difference (Definition of Eligible Generator) Regulations 2014, and this would have been the mechanism that could have awarded a CFD to the projects that participated in the CCS Competition. However, due to the cancellation of the CCS Competition, the CFD for power CCUS was not completed. In addition, unlike renewable energy projects in the electricity system (and similar to new nuclear) CCUS is not part of the allocation round framework, and so could

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<sup>6</sup> Energy and Climate Change Committee, Report on Carbon capture and storage, 2014. <https://publications.parliament.uk/pa/cm201314/cmselect/cmenergy/742/742.pdf>

<sup>7</sup> Department for Energy and Climate Change, Next steps in CCS: Policy Scoping Document, 2014. [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/341995/Final\\_Version\\_Policy\\_Scoping\\_Document\\_PSD.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/341995/Final_Version_Policy_Scoping_Document_PSD.pdf)

<sup>8</sup> Department for Business, Energy and Industrial Strategy, Contracts for Difference: standard terms and conditions, version 2, March 2017. <https://www.gov.uk/government/publications/contracts-for-difference-standard-terms-and-conditions-version-2-march-2017>

currently be awarded a CFD only on the direction of the Secretary of State (e.g on a bilateral basis or through a specific competition)<sup>9</sup>.

Based on the experience of the CCS Commercialisation Competition (2012-15) the generic CFD will need to be tailored if it is to support power CCUS projects<sup>10,11</sup>. For instance, there is a need to consider fuel price fluctuations as well as consideration of whether the CFD for power CCUS should evolve over time as the number of CCUS facilities in receipt of subsidy increases. An assessment of the suitability of the CFD for power CCUS will form part of the work, with proposals (if any) for alternative mechanisms to be made at a high level.

The successful supplier will be required, where appropriate, to consider industry-led work on this topic, and to incorporate the findings of such work into their analysis.

## Objectives

The objectives of this work are as follows:

- To provide specific advice on how the structure of the generic CFD can be adapted to support power CCUS. A consideration throughout will be what is the framework that best enables power CCUS to be an investable proposition and which supports a cost reduction trajectory. Specifically, it is expected that this work will explore:
  - o The appropriateness of the adapted CFD for CCUS in power and consider any other alternatives at a high level;
  - o Consideration of the long-term applicability of the CFD for power CCUS and whether alternatives may be required in future;
  - o The structural adaptations to the CFD to enable it to incentivise flexible and/or baseload generation in power CCUS, assuring revenue without over-remuneration or locking in generation capacity<sup>12</sup>;
  - o Identification of the investor or lender types that the mechanism is best suited towards and how this may influence the weighted cost of capital;
  - o The basis/ indexation of the CFD – e.g. whether it should be written against a power price, fuel price, power plant spread, carbon price, or other metric;
  - o Identification of risks and their allocation between the government, consumer, and private sector, including the CCUS power operator and T&S operator, and any further counterparties. Of particular importance will be identification of the risk posed by fluctuating gas prices.
    - We are not looking for a detailed analysis of cross chain risks. However, the analysis should include identification of the options for continuing the revenue stream to the generator if CO<sub>2</sub> T&S unavailable, and a high-level examination of the impact of these

<sup>9</sup> Department for Energy and Climate Change, Electricity Market Reform – Contract for Difference: Contract and Allocation Review, 2013.

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/233004/EMR\\_\\_Contract\\_for\\_Difference\\_\\_Contract\\_and\\_Allocation\\_Overview\\_Final\\_28\\_August.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/233004/EMR__Contract_for_Difference__Contract_and_Allocation_Overview_Final_28_August.pdf)

<sup>10</sup> Energy and Climate Change Committee, Report on Carbon capture and storage, 2014.

<https://publications.parliament.uk/pa/cm201314/cmselect/cmenergy/742/742.pdf>

<sup>11</sup> Department for Energy and Climate Change, Next steps in CCS: Policy Scoping Document, 2014.

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/341995/Final\\_Version\\_Policy\\_Scoping\\_Document\\_PSD.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/341995/Final_Version_Policy_Scoping_Document_PSD.pdf)

<sup>12</sup> The CFD may predominantly support baseload operation. However, CCUS facilities will need to be able to operate flexibly, to accommodate intermittency in zero marginal cost low-carbon generating technologies, and the CFD mechanism will need to continue to work in this situation.

options on investability. The detailed analysis of these will be conducted at a later date, to incorporate the ongoing work on T&S business models and industrial CCUS incentive mechanisms which form the other parts of the wider review of delivery and investment frameworks set out in the 'CCUS Deployment Pathway; An Action Plan'.

- The duration of the CFD term and the impact of moving beyond a 15-year term, and analysis on the economics of a plant following the end of the CFD term;
- Consideration of on-going industry-led work, where appropriate, on barriers to the investability of power CCUS and identification of any further barriers/ key points for making power CCUS investable.

Specific expectations/ outputs include:

- A kick off meeting at BEIS
- Weekly progress calls
- Presentation of final report at BEIS
- Submission of final written report suitable for publication and ownership by BEIS, following feedback

#### **Contacts, organisation and staffing**

Within BEIS, the CCUS Policy Team is responsible for commissioning this work and will be the key point of contact for enquiries.

#### **Roles and responsibilities**

The successful supplier will be responsible for:

- Carrying out this analysis and reporting it within the specified timeframe
- Referring to the BEIS quality assurance tools and guidance during their analysis<sup>13</sup>

BEIS staff will be responsible for:

- Providing clear and accurate direction for the work
- Briefing the successful supplier on previous modelling outputs pertinent to the work

#### **Scope**

##### **To be included:**

- Consideration of specific options for adapting the generic CFD for power CCUS, including requirements set out below.
- High level comparison of suitability of adapted CCUS CFD against other potential market-based mechanisms.
- Presentation of report, analysis which was conducted to support conclusions, and any other evidence contributing to the analysis for further review.

##### **To be excluded:**

- Analysis of delivery and investment frameworks for the transport and storage of carbon dioxide resulting from capture activities; and

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<sup>13</sup> <https://www.gov.uk/government/collections/quality-assurance-tools-and-guidance-in-decc>

- Analysis of delivery and investment frameworks for CCUS applications in sectors other than electricity generation;
- Detailed analysis of options for continuing the revenue stream to the generator in the event of realisation of cross-chain risks between CCUS application(s) in electricity generation and CO<sub>2</sub> T&S activities. (To note, a high-level identification of these risks and a consideration of options for risk allocation is included within the scope of this work);
- Consideration of the options for how the CFD can be used to maintain competitive pressures for power CCUS particularly in the absence of a competitive auction framework.

## Requirement

### 1. Overarching requirement

This consultancy work will have the key objective of identifying and assessing options for adapting the standard CFD for power CCUS technologies. Options presented should aim to ensure that the CCUS CFD will be an attractive proposition for prospective investors and should be assessed on this basis. The work should take note of the analysis conducted by BEIS on the role of power CCUS within the electricity system. Where appropriate, the winning supplier should take account of on-going industry-led work to identify barriers to the invest- ability of power CCUS. Any further barriers to invest-ability should also be identified by the contractor.

### 2. Specific requirements:

The successful supplier should identify and assess the options tabled below for adapting the standard CFD for power CCUS technologies, though the options presented are by no means final and we expect them to adapt and add to these options where appropriate. The options should be assessed, quantitatively where possible, ranked and presented in order. Assessment should include how the options proposed would affect investor sentiment for different types of investors

General	Detail/ possible options for consideration
CFD Suitability	A short high-level assessment should be conducted to compare the suitability of an adapted CCUS CFD against other potential market-based mechanisms for bringing forward power CCUS, for potential future consideration by BEIS.

Element of the generic CFD	Detail/ possible options for consideration
Structure	<p>Consideration should be given to options for incentivising CCUS to operate in a flexible manner (as well as baseload) and provide electricity system services, when required by the electricity system operator.</p> <p>The contractor should assume that the power CCUS generation company would need to supply a revenue stream to the provider of the CO<sub>2</sub> transport and storage infrastructure (a T&amp;S fee). The level and basis of this fee have not been set. It should be considered whether this is best structured as a 'pass-through' on top of the CCUS CFD payment, or other structure.</p>

Indexation	<p>The work should explore the appropriate indexation metric for the CCUS CFD. Options may include:</p> <ul style="list-style-type: none"> <li>- Wholesale electricity price</li> <li>- Fuel price</li> <li>- Power plant spreads</li> <li>- Power plant clean spreads</li> <li>- Carbon price</li> </ul> <p>Where relevant, options considered for indexation of the mechanism should give specific consideration to each of the different fuels which power CCUS could be applicable to.</p>
Duration	<p>The work should explore the appropriate duration of the CCUS CFD term. Consideration should be given to how a CCUS power plant may operate after the end of the CCUS CFD term.</p>
Risk allocation	<p>Consideration of options for the allocation of risk between project developers/ operators, consumers, and Government. Of key importance will be to identify the risks posed to power CCUS facility operators and how this may impact invest-ability<sup>14</sup>. Risks considered should include (but are not limited to):</p> <ul style="list-style-type: none"> <li>- Fuel price risk</li> <li>- Allocation of cross-chain risks should be considered, at a high level. (e.g. options for continuing revenue stream to generator if T&amp;S unavailable, and the impact of these options on invest-ability). A detailed analysis of these risks will be conducted at a later date, to incorporate ongoing work on T&amp;S business models and industrial CCUS incentive mechanisms.</li> </ul>

#### 4. Key Outputs

- a. Kick off meeting at BEIS including work plan
- b. Weekly progress calls
- c. Final written report
- d. Presentation of final report at BEIS
- e. Submission of final report following feedback, for ownership by BEIS and suitable for publication

#### Timeline

We expect this work to be concluded by 29<sup>th</sup> March 2019. Payments will be made following submission of final written report following feedback.

1. Contract start date **18th Feb 2019**
2. Kick off meeting **w/c 18<sup>th</sup> Feb 2019**
3. Presentation of final report at BEIS **w/c 18<sup>th</sup> March 2019**
4. Submission of final written report following feedback **w/c 25<sup>th</sup> March 2019**
5. Contract end date **29<sup>th</sup> March 2019**

#### Terms and Conditions

<sup>14</sup> Detailed work on how the mechanism will practically remunerate parties in the event of cross-chain risks taking place will be carried out later this year, after all sections of the Review of Delivery and Investment Frameworks set out in HM Government's 'CCUS Action Plan; A Deployment Pathway', have been completed.

Bidders are to note that any requested modifications to the Contracting Authority Terms and Conditions on the grounds of statutory and legal matters only, shall be raised as a formal clarification during the permitted clarification period.

## Section 5 – Evaluation model

The evaluation model below shall be used for this ITQ, which will be determined to two decimal places.

Where a question is 'for information only' it will not be scored.

The evaluation team may comprise staff from UK SBS and the Contracting Authority and any specific external stakeholders the Contracting Authority deems required. After evaluation the scores will be finalised by performing a calculation to identify (at question level) the mean average of all evaluators (Example – a question is scored by three evaluators and judged as scoring 5, 5 and 6. These scores will be added together and divided by the number of evaluators to produce the final score of 5.33 ( $5+5+6 = 16 \div 3 = 5.33$ ))

Pass / fail criteria		
Questionnaire	Q No.	Question subject
Commercial	SEL1.2	Employment breaches/ Equality
Commercial	FOI1.1	Freedom of Information Exemptions
Commercial	AW1.1	Form of Bid
Commercial	AW1.3	Certificate of Bona Fide Bid
Commercial	AW3.1	Validation check
Commercial	SEL3.11	Compliance to Section 54 of the Modern Slavery Act
Commercial	AW4.1	Contract Terms Part 1
Commercial	AW4.2	Contract Terms Part 2
Quality	AW6.1	Compliance to the Specification
Quality	AW6.2	Variable Bids
-	-	Invitation to Quote – received on time within e-sourcing tool

Scoring criteria			
Evaluation Justification Statement			
In consideration of this particular requirement the Contracting Authority has decided to evaluate Potential Providers by adopting the weightings/scoring mechanism detailed within this ITQ. The Contracting Authority considers these weightings to be in line with existing best practice for a requirement of this type.			
Questionnaire	Q No.	Question subject	Maximum Marks
Price	AW5.2	Price questionnaire	10%
Quality	PROJ1.1	Methodological approach and consistency with stated objectives	15%
Quality	PROJ1.2	Expertise in electricity market analysis	30%
Quality	PROJ1.3	Knowledge of CCUS/ fossil thermal generation	20%

		technologies and investment community	
Quality	PROJ1.4	Market design and economic modelling capability	25%

## Evaluation of criteria

### Non-Price elements

Each question will be judged on a score from 0 to 100, which shall be subjected to a multiplier to reflect the percentage of the evaluation criteria allocated to that question.

Where an evaluation criterion is worth 20% then the 0-100 score achieved will be multiplied by 20%.

Example if a Bidder scores 60 from the available 100 points this will equate to 12% by using the following calculation:

$$\text{Score} = \{\text{weighting percentage}\} \times \{\text{bidder's score}\} = 20\% \times 60 = 12$$

The same logic will be applied to groups of questions which equate to a single evaluation criterion.

The 0-100 score shall be based on (unless otherwise stated within the question):

0	The Question is not answered, or the response is completely unacceptable.
10	Extremely poor response – they have completely missed the point of the question.
20	Very poor response and not wholly acceptable. Requires major revision to the response to make it acceptable. Only partially answers the requirement, with major deficiencies and little relevant detail proposed.
40	Poor response only partially satisfying the selection question requirements with deficiencies apparent. Some useful evidence provided but response falls well short of expectations. Low probability of being a capable supplier.
60	Response is acceptable but remains basic and could have been expanded upon. Response is sufficient but does not inspire.
80	Good response which describes their capabilities in detail which provides high levels of assurance consistent with a quality provider. The response includes a full description of techniques and measurements currently employed.
100	Response is exceptional and clearly demonstrates they are capable of meeting the requirement. No significant weaknesses noted. The response is compelling in its description of techniques and measurements currently employed, providing full assurance consistent with a quality provider.

All questions will be scored based on the above mechanism. Please be aware that the final score returned may be different as there may be multiple evaluators and their individual scores will be averaged (mean) to determine your final score.

### Example

Evaluator 1 scored your bid as 60

Evaluator 2 scored your bid as 60

Evaluator 3 scored your bid as 40

Evaluator 4 scored your bid as 40

Your final score will  $(60+60+40+40) \div 4 = 50$

**Price elements** will be judged on the following criteria.

The lowest price for a response which meets the pass criteria shall score 100.

All other bids shall be scored on a pro rata basis in relation to the lowest price. The score is then subject to a multiplier to reflect the percentage value of the price criterion.

For example - Bid 1 £100,000 scores 100.

Bid 2 £120,000 differential of £20,000 or 20% remove 20% from price scores 80

Bid 3 £150,000 differential £50,000 remove 50% from price scores 50.

Bid 4 £175,000 differential £75,000 remove 75% from price scores 25.

Bid 5 £200,000 differential £100,000 remove 100% from price scores 0.

Bid 6 £300,000 differential £200,000 remove 100% from price scores 0.

Where the scoring criterion is worth 50% then the 0-100 score achieved will be multiplied by 50.

In the example if a supplier scores 80 from the available 100 points this will equate to 40% by using the following calculation:  $\text{Score/Total Points multiplied by 50}$  ( $80/100 \times 50 = 40$ )

The lowest score possible is 0 even if the price submitted is more than 100% greater than the lowest price.

## **Section 6 – Evaluation questionnaire**

Bidders should note that the evaluation questionnaire is located within the **e-sourcing questionnaire**.

Guidance on completion of the questionnaire is available at <http://www.ukpbs.co.uk/services/procure/Pages/supplier.aspx>

**PLEASE NOTE THE QUESTIONS ARE NOT NUMBERED SEQUENTIALLY**

## Section 7 – General Information

### What makes a good bid – some simple do's 😊

#### DO:

- 7.1 Do comply with Procurement document instructions. Failure to do so may lead to disqualification.
- 7.2 Do provide the Bid on time, and in the required format. Remember that the date/time given for a response is the last date that it can be accepted; we are legally bound to disqualify late submissions. Responses received after the date indicated in the ITQ shall not be considered by the Contracting Authority, unless the Bidder can justify that the reason for the delay, is solely attributable to the Contracting Authority
- 7.3 Do ensure you have read all the training materials to utilise e-sourcing tool prior to responding to this Bid. If you send your Bid by email or post it will be rejected.
- 7.4 Do use Microsoft Word, PowerPoint Excel 97-03 or compatible formats, or PDF unless agreed in writing by the Buyer. If you use another file format without our written permission, we may reject your Bid.
- 7.5 Do ensure you utilise the Emptoris messaging system to raise any clarifications to our ITQ. You should note that we will release the answer to the question to all Bidders and where we suspect the question contains confidential information we may modify the content of the question to protect the anonymity of the Bidder or their proposed solution
- 7.6 Do answer the question, it is not enough simply to cross-reference to a 'policy', web page or another part of your Bid, the evaluation team have limited time to assess bids and if they can't find the answer, they can't score it.
- 7.7 Do consider who the Contracting Authority is and what they want – a generic answer does not necessarily meet every Contracting Authority's needs.
- 7.8 Do reference your documents correctly, specifically where supporting documentation is requested e.g. referencing the question/s they apply to.
- 7.9 Do provide clear, concise and ideally generic contact details; telephone numbers, e-mails and fax details.
- 7.10 Do complete all questions in the questionnaire or we may reject your Bid.
- 7.11 Do ensure that the Response and any documents accompanying it are in the English Language, the Contracting Authority reserve the right to disqualify any full or part responses that are not in English.
- 7.12 Do check and recheck your Bid before dispatch.

## What makes a good bid – some simple do not's

### DO NOT

- 7.13 Do not cut and paste from a previous document and forget to change the previous details such as the previous buyer's name.
- 7.14 Do not attach 'glossy' brochures that have not been requested, they will not be read unless we have asked for them. Only send what has been requested and only send supplementary information if we have offered the opportunity so to do.
- 7.15 Do not share the Procurement documents, they are confidential and should not be shared with anyone without the Buyers written permission.
- 7.16 Do not seek to influence the procurement process by requesting meetings or contacting UK SBS or the Contracting Authority to discuss your Bid. If your Bid requires clarification the Buyer will contact you. All information secured outside of formal Buyer communications shall have no Legal standing or worth and should not be relied upon.
- 7.17 Do not contact any UK SBS staff or the Contracting Authority staff without the Buyers written permission or we may reject your Bid.
- 7.18 Do not collude to fix or adjust the price or withdraw your Bid with another Party as we will reject your Bid.
- 7.19 Do not offer UK SBS or the Contracting Authority staff any inducement or we will reject your Bid.
- 7.20 Do not seek changes to the Bid after responses have been submitted and the deadline for Bids to be submitted has passed.
- 7.21 Do not cross reference answers to external websites or other parts of your Bid, the cross references and website links will not be considered.
- 7.22 Do not exceed word counts, the additional words will not be considered.
- 7.23 Do not make your Bid conditional on acceptance of your own Terms of Contract, as your Bid will be rejected.
- 7.24 Do not unless explicitly requested by the Contracting Authority either in the procurement documents or via a formal clarification from the Contracting Authority send your response by any way other than via e-sourcing tool. Responses received by any other method than requested will not be considered for the opportunity.

## Some additional guidance notes

- 7.25 All enquiries with respect to access to the e-sourcing tool and problems with functionality within the tool must be submitted to Crown Commercial Service (previously Government Procurement Service), Telephone 0345 010 3503.
- 7.26 Bidders will be specifically advised where attachments are permissible to support a question response within the e-sourcing tool. Where they are not permissible any attachments submitted will not be considered as part of the evaluation process.
- 7.27 Question numbering is not sequential and all questions which require submission are included in the Section 6 Evaluation Questionnaire.
- 7.28 Any Contract offered may not guarantee any volume of work or any exclusivity of supply.
- 7.29 We do not guarantee to award any Contract as a result of this procurement
- 7.30 All documents issued or received in relation to this procurement shall be the property of the Contracting Authority. / UKSBS.
- 7.31 We can amend any part of the procurement documents at any time prior to the latest date / time Bids shall be submitted through Emptoris.
- 7.32 If you are a Consortium you must provide details of the Consortiums structure.
- 7.33 Bidders will be expected to comply with the Freedom of Information Act 2000 or your Bid will be rejected.
- 7.34 Bidders should note the Government's transparency agenda requires your Bid and any Contract entered into to be published on a designated, publicly searchable web site. By submitting a response to this ITQ Bidders are agreeing that their Bid and Contract may be made public
- 7.35 Your bid will be valid for 60 days or your Bid will be rejected.
- 7.36 Bidders may only amend the contract terms during the clarification period only, only if you can demonstrate there is a legal or statutory reason why you cannot accept them. If you request changes to the Contract terms without such grounds and the Contracting Authority fail to accept your legal or statutory reason is reasonably justified, we may reject your Bid.
- 7.37 We will let you know the outcome of your Bid evaluation and where requested will provide a written debrief of the relative strengths and weaknesses of your Bid.
- 7.38 If you fail mandatory pass / fail criteria we will reject your Bid.
- 7.39 Bidders are required to use IE8, IE9, Chrome or Firefox in order to access the functionality of the Emptoris e-sourcing tool.
- 7.40 Bidders should note that if they are successful with their proposal the Contracting Authority reserves the right to ask additional compliancy checks prior to the award of any Contract. In the event of a Bidder failing to meet one of the compliancy checks

the Contracting Authority may decline to proceed with the award of the Contract to the successful Bidder.

- 7.41 All timescales are set using a 24-hour clock and are based on British Summer Time or Greenwich Mean Time, depending on which applies at the point when Date and Time Bids shall be submitted through Emptoris.
- 7.42 All Central Government Departments and their Executive Agencies and Non-Departmental Public Bodies are subject to control and reporting within Government. In particular, they report to the Cabinet Office and HM Treasury for all expenditure. Further, the Cabinet Office has a cross-Government role delivering overall Government policy on public procurement - including ensuring value for money and related aspects of good procurement practice.

For these purposes, the Contracting Authority may disclose within Government any of the Bidders documentation/information (including any that the Bidder considers to be confidential and/or commercially sensitive such as specific bid information) submitted by the Bidder to the Contracting Authority during this Procurement. The information will not be disclosed outside Government. Bidders taking part in this ITQ consent to these terms as part of the competition process.

- 7.43 The Government introduced its new Government Security Classifications (GSC) classification scheme on the 2<sup>nd</sup> April 2014 to replace the current Government Protective Marking System (GPMS). A key aspect of this is the reduction in the number of security classifications used. All Bidders are encouraged to make themselves aware of the changes and identify any potential impacts in their Bid, as the protective marking and applicable protection of any material passed to, or generated by, you during the procurement process or pursuant to any Contract awarded to you as a result of this tender process will be subject to the new GSC. The link below to the Gov.uk website provides information on the new GSC:

<https://www.gov.uk/government/publications/government-security-classifications>

The Contracting Authority reserves the right to amend any security related term or condition of the draft contract accompanying this ITQ to reflect any changes introduced by the GSC. In particular where this ITQ is accompanied by any instructions on safeguarding classified information (e.g. a Security Aspects Letter) as a result of any changes stemming from the new GSC, whether in respect of the applicable protective marking scheme, specific protective markings given, the aspects to which any protective marking applies or otherwise. This may relate to the instructions on safeguarding classified information (e.g. a Security Aspects Letter) as they apply to the procurement as they apply to the procurement process and/or any contracts awarded to you as a result of the procurement process.

#### **USEFUL INFORMATION LINKS**

- [Emptoris Training Guide](#)
- [Emptoris e-sourcing tool](#)
- [Contracts Finder](#)
- [Equalities Act introduction](#)
- [Bribery Act introduction](#)
- [Freedom of information Act](#)