

# North West, North East and Scotland Black Start Tender

## Commercial Evaluation Methodology

### 1. Introduction

This section sets out the methodology that the ESO will use to evaluate Tenders received in relation to the Black Start Tender covering the North West, North East and Scotland.

Our requirement is linked to the target restoration time, and currently we use 3 conventional stations per zone' as a proxy for describing what the requirement might look like. This may however change, depending on the tender submissions we receive. We will procure, in merit order, services to meet our requirement in the zone.

The Contract will be awarded to the Most Economically Advantageous Tender evaluated as described in this methodology.

The evaluation comprises of 3 stages:

- Stage One – Commercial Compliance
- Stage two – Technical
- Stage Three – Commercials

Stage one will be scored on a pass/fail basis and is integrated within the COUPA Portal which was facilitated by Global Procurement. Stage two and three are then scored in accordance with the published evaluation criteria with a 30% weighting applied for the technical capability and 70% weighting to be applied to the total cost of the commercial submissions. ***This document sets out the process followed in ITT Stage 1 and 3 of the evaluation process. Technical Evaluation information is provided in sheet titled 'ITT 5 - Scoring - NEW DOCUMENT' which was launched via COUPA on Monday 30<sup>th</sup> November.***

### 2. Evaluation of Tenders

#### Stage One – Commercial Compliance

Tenders will be subject to an initial compliance check in line with the tender rules detailed in the ESO invites to tender document to confirm that the:

- Tenders have been submitted on time, are completed correctly and meet the requirements of the Invitation to Tender (ITT).
- Tenders do not contain 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.
- Tenders are sufficiently complete to enable them to be evaluated in accordance with this Section.
- Tenders reflect and confirm full and unconditional compliance with all the documents issued by the ESO forming part of the ITT, including the ability to meet the service commencement date
- Tenderer has not contravened any of the terms and conditions of the tender process.

Tenders that do not meet the above criteria may be rejected at this stage.

Tenders that pass this stage will be subject to a detailed evaluation in accordance with the criteria and weightings set out in this document.

### Stage Three – Commercials

Criteria	Maximum Available Points
Total contract sum	70

The ESO reserves the right to shortlist compliant bids and proceed to clarification of bids with shortlisted bidders during stage 3 of the evaluation process.

The method of scoring will be that the tender with the most competitive price will receive the maximum points available (70). Each remaining tender is then measured relative to the best (lowest price) tender using a proportionate scale. A range spanning the highest price to zero will be used across all tenders resulting in a single tender stack.

An example of the methodology which could be applied is included below. This is a linear assessment that will make sure each and every bid received a number of points.

The lowest cost provider will be awarded 100 points with the other tenderers being scored proportionally less based upon their percentage difference from the lowest price, as shown: -

So, the highest bid will be a % difference from a sum of the highest and lowest bid – 1. We will then multiply this by a factor of 0.7 to provide a score for the commercial assessment.

An example below

Lowest bid £2m

Highest bid £10m

Sum of highest and lowest bid £12m

Provider X bid is £6m

Calculation as follows

$$1 - (6)/(12) * 0.7$$

(please note that these numbers are for illustrative purposes)

In the event that an overall evaluation has resulted in very close or identical evaluation scoring, scores will be treated as a tie (i.e. a statistical tie within acceptable margins of error making it difficult, if not impossible, to differentiate between two or more bids), in which scenario, ESO reserves the right to present a tie-break, using one of the following methodologies:

- Taking the higher score of the tied bidders in relation to a key criterion such as price, ie. the lowest price will win
- Set additional questions to be answered by tied bidders
- Re-opening certain parts of the tender to be re-evaluated in writing or through a presentation.

### **Final Selection and recommendation**

The scores achieved for both Technical and Commercial will be added together to give an overall score.

The overall scores will then be used to rank the Tender submissions.

This will then go through to Restoration Modelling assessment to determine how many services we should procure.