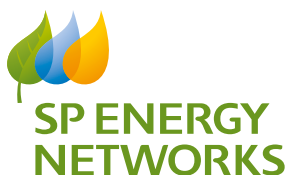


# Invitation to Tender for the Provision of Flexibility Services

SPRING 2021

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better future, quicker

# Invitation to Tender

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# Invitation to Tender

Dear Provider,

## INVITATION TO TENDER FOR THE PROVISION OF FLEXIBILITY SERVICES

You are hereby invited by SP Distribution Plc, a company registered in Scotland with number SC189125 and having its registered office at 320 St Vincent Street, Glasgow, G2 5AD and SP Manweb plc, a company registered in England and Wales with number 02366937 and having its registered office at 3 Prenton Way, Prenton, CH43 3ET, (each referred to as the "Company"), to submit a tender for the Provision of Flexibility Services in accordance with the details of this document, terms and conditions and all other attachments for the Company's requirements for Flexibility Services.

### This Invitation to Tender pack comprises the following:

- This Invitation to Tender letter
- Part 1 – Tender Timeline
- Part 2 – Tender Scope
- Part 3 – Policies
- Part 4 – Flexibility Services Agreement
- Part 5 – Pre-qualification
- Part 6 – Bid Assessment

Please check that all of the above is, including the links provided, are accessible and contact the Company using the details given in this letter to obtain any missing sections. To avoid delay in preparing your tender, you are advised to do this as soon as possible.

## Completion of Tender Documents

Please note that tenders must be submitted in accordance with the policies listed in Part 3.

Tenders must be submitted in the English language via the Picloflex platform and priced in pounds sterling. Tenderers should ensure that they have fully read and understood all Parts included in this Invitation to Tender. Tenderers must consider the requirements of this Invitation to Tender and ensure that their Tenders comply with the same. Tenderers must provide any information required. Failure to do so may result in a Tender being deselected as it is not complete. In particular, Tenderers MUST provide any information required where appropriate in the format prescribed in this Invitation to Tender.

Tenderers are responsible for ensuring that they have completed their Tender fully and accurately and that prices quoted are arithmetically correct for the Services stated. Once the submission deadline set out in Part 1 has expired, there will be no opportunity for Tenderers to access their Tender or make any amendments thereto. In the event that any Tenderer considers that its Tender contains any manifest error, Tenderers should advise the Company in writing via e-mail as quickly as possible to [flexibility@spenergynetworks.co.uk](mailto:flexibility@spenergynetworks.co.uk).

It shall be at the discretion of the Company whether or not to accept any corrections, however please note that no corrections will be accepted by the Company once evaluation of Tenders has been completed.

The Company will not be responsible for any expenses incurred in the preparation of any Tender, or in attending any pre and/or post tender meetings, site visits or tender clarifications. No reimbursement shall be made by the Company whether or not an award of a Contract is made.

Submission of a Tender will imply acceptance of the provisions contained in this Invitation to Tender without qualification. Any attempt to qualify any of the provisions of the Invitation to Tender, expressly or implied, may result in a Tenderer being disqualified.

## Canvassing/Collusion

### When preparing your tender:

Except as specifically authorised by the Company, Tenderers shall not approach staff of the Company or staff of the Company's advisers with a view to providing information in respect of any part of their submission or proposals or attempting to support or enhance their prospect of being selected as a preferred provider.

You should certify that your tender is a bone fide tender and that it has not been adjusted by agreement or by arrangement with any other party. Furthermore, your tender should certify that you did not, in connection with this procurement:

- enter into any agreement or arrangement with any person (other than, where relevant, a member of its own consortium) with the aim of fixing or adjusting the amount of any Tender or the conditions on which any Tender is made; or
- enter into any agreement or arrangement with any person with the aim of preventing Tenders being made; or
- cause or induce any person to enter such agreement as is mentioned in above; or
- canvass any of the persons referred to above; or
- offer or agree to pay or to give or pay or give any sum of money, inducement or valuable consideration directly or indirectly to any person for doing or having done or causing or having caused to be done in relation to any other Tender or proposed Tender any act or omission; or
- communicate to any person other than the Company the amount or approximate amount of its proposed Tender (except where such disclosure is made in confidence in order to obtain quotations necessary for the preparation of the Tender or professional advice required for the preparation of a Tender).

Any breach of the above matters may lead to the exclusion of one or all Tenderers involved at the discretion of the Company.

Furthermore, any breach of these foregoing provisions which are proven to be a breach of the UK and EU competition legislation will result in termination of any contract that is awarded under the terms of the Contractor Default provisions contained in any such contract. For the avoidance of doubt, this provision shall not restrict, prevent or otherwise affect the Company from exercising its rights of termination under any contract.

## Canvassing

### A Tenderer shall not, in connection with this procurement:

- offer any inducement, fee or reward to any employee or officer of the Company or any person acting as an advisor for the Company in connection with this procurement; or
- do anything which would constitute a breach of the Prevention of Corruption Acts 1889 to 1916; or
- canvass any of the persons referred to above; or
- contact any employee or officer of the Company about any aspect of the procurement, except as authorised by this Invitation to Tender, including (but without limitation) for the purposes of soliciting information in connection with the procurement.

The Company may, at its discretion, disqualify any Tenderer that breaches this condition (without prejudice to any other civil remedies available to the Company and without prejudice to any criminal liability, which such conduct by the Tenderer concerned may attract).

## Confidentiality and Publicity

Tenderers shall not disclose their Tender in whole or in part to any third party prior to the award of the Contract by the Company. Any tenders, whether accepted or not, may be published by the Company.

## Sufficiency & Accuracy of Tender

Tenderers will be deemed to have examined all the documents and by their own independent observations and enquiries will be held to have fully informed themselves as to the nature and extent of the requirements of the Invitation to Tender.

Tenderers are cautioned to check the accuracy of their Tender prior to submission. A tender found containing any clerical errors or omissions may, at the sole discretion of the Company, be referred back to the Tenderer for correction. Any subsequent adjustment(s) must be confirmed in writing. The Company reserves the right to disqualify incomplete Tenders.

## Process for Questions / Clarification

All technical and commercial queries relating to this Tender must be submitted via email to [support@picloflex.com](mailto:support@picloflex.com). Any requests for clarification or assistance must be made a minimum of five (5) working days before the deadline for submission of Tender set out below. No queries or questions will be answered by the Company within the three (3) day period before the said deadline.

The Company's response to all queries received will be published on the Picloflex website at [www.picloflex.com](http://www.picloflex.com)

## Tender Return

Tenders must be submitted by no later than the Tender Closing Date detailed in Part 1. The Company may at its absolute discretion extend the Tender Closing Date to Tenderers. No submission of Tenders after that time will be permitted. Tenders to be submitted via the Picloflex platform at [www.picloflex.com](http://www.picloflex.com).

## Bidding Rules

### The following bidding rules will apply:

- Flexible capacity – can offer the Flexible capacity at a single price or split the Flexible capacity into smaller volumes but at different prices.
- Service Windows – must be for whole Service Windows of the individual competition bidding for.
- Service Period - The duration of contracts within this Invitation to Tender ranges from 1 year up to 5 years dependent on the specific CMZ requirements. Bids can be submitted for individual years.

Detailed instructions on how to submit bids is available on Piclo Flex.

## Bid Assessment

Tender will be assessed as detailed in Part 6.

## Modification by the Company

Any advice or any modification to the Invitation to Tender shall be issued as soon as possible before the date fixed for return of tenders and shall be issued as an addendum. This addendum shall be deemed to constitute part of the Invitation to Tender.

## **Incurring Tender & Other Expenses**

The Company shall not be responsible for, or pay any costs and expenses which may be incurred by the Tenderer in connection with the preparation and submission of their Tender, including the attendance at any Pre or Post Tender meetings, site visits, negotiations etc.

## **Currency of Tender**

The currency in which all prices and rates shall be tendered, and which payments under the Contract will be paid, shall be Pounds Sterling. All prices and rates quoted should be exclusive of VAT.

## **Right to Reject, Vary or Cancel Process**

The issue of this Invitation to Tender in no way commits the Company to award any contract pursuant to the tendering process. The Company reserves the right not to accept part or all of any Tender received. Nothing in this Invitation to Tender shall oblige the Company to award a contract and the Company shall be able to withdraw from the tendering process at any stage.

The Company shall not be liable for any costs incurred by, or losses suffered by, any Tenderer under any circumstances.

The subject matter of this Invitation to Tender shall only have any contractual effect when it is covered and contained in the express terms of an executed Flexibility Services Agreement.

The Company reserves the right, subject to relevant legislation, and at any time, to reject any Tender and/or to terminate discussions with any Tenderer.

The Company reserves the right (without liability) to cancel the selection and evaluation process at any stage, to amend the terms and conditions of the tender process and to require a Tenderer to clarify its submission in writing and/or provide additional information.

## **Eligibility**

The Company will consider any solution that can meet the Service Requirements (as included on the Picloflex platform and detailed in Part 2 – Tender Scope). Providers and assets must pass Pre-qualification to participate in the Competitions.

## **Pre-qualification**

To submit a tender, all Tenderers must adhere to the Pre-qualification requirements included in Part 4.

Providers need to submit, via Piclo Flex, and pass company and financial checks by signing onto the Dynamic Purchasing System (DPS). By signing onto the DPS and participating in the tender, the Provider accepts the terms and conditions of the procurement and Flexibility Services Agreement.

Providers who are not able to provide the service at the point of Pre-qualification must submit a Delivery Plan as part of the pre-qualification detailing how they will deliver the service by the service period. The Delivery Plan will be considered as part of Pre-qualification and only those with robust plans will pass pre-qualification and be able to take part in the Competitions.

## **Tender Timetable**

The timescales for completion of the various stages of this Invitation to Tender is detailed in Part 1. In order to allow appropriate time for analysis, selection, implementation, and communication Tenderers must meet all of the specified deadlines. It shall be open to the Company to amend this timetable at any time.

## Contract Award

The successful and unsuccessful Tenderers will be notified by the Company via the Picloflex platform by the Contract Award date. It shall be open to the Company to amend this date at any time.

Contract award does not guarantee that any Flexibility Services will be required by the Company or commit the Company to requiring any, or any particular level of, such Flexibility Services.

## Disclaimer

The information in this Invitation to Tender is provided for information only. No representation, warranty or undertaking, express or implied, is or will be made and the Company shall have no responsibility or liability as to or in relation to the accuracy or completeness of this Information to Tender or any other written or oral information made available to any party (Tenderers) responding to this Invitation to Tender or their advisers. No information contained in this Invitation to Tender will form the basis of any warranty or representation made by or on behalf of the Company to any Tenderer.

Information in this Invitation to Tender, together with any other information to be provided at any time during the procurement process, is provided in the interests of assisting the Tenderers to develop relevant Tenders. It is intended only as an explanation of the Company's requirements and is not intended to form the basis of the Tenderers' decisions on whether to enter into any contractual relationship with the Company.

Accordingly, information provided does not purport to be all-inclusive or to contain all the information that a prospective Tenderer may require. The Tenderers and their advisers must take their own steps to verify information which they use and must make an independent assessment of the opportunity described in this Invitation to Tender after making such investigation and taking such professional advice as they deem necessary.

None of the Company's directors, officers, employees, agents or advisors or representatives who are involved with the procurement process shall be considered to make or be deemed to have made any representation or warranty as to the adequacy, accuracy, reasonableness or completeness of the information provided. The Company does not exclude any liability that it may have for fraudulent misrepresentation or any other liability not capable of being excluded by law.

The Company shall not be liable for any loss or damage arising as a result of reliance on the information provided or other information subsequently provided, nor for any expenses incurred by the Tenderers at any time. No third party has been or will be authorised to accept or agree to accept on behalf of the Company any such liability.

No response made by or on behalf of the Company to any response to this Invitation to Tender shall constitute an agreement or contract between the Company and any Tenderer unless expressly stated to that effect by the Company. I look forward to hearing from you.

Yours faithfully



**Graham Campbell**  
Head of Whole Systems & Commercial

**Email: [Flexibility@spenergynetworks.co.uk](mailto:Flexibility@spenergynetworks.co.uk)**

# PART 1 – Tender Timetable

The following table shows the timescales of the various stages of this procurement round:

Activity	Indicative Timescales
Prequalification Open	30th April 2021
Prequalification Deadline	11th June 2021
Bids Open	28th June 2021
Tender Closing Date	2nd July 2021
Contract Award	3rd September 2021

SPEN reserves the right to amend this timetable at any time.

## PART 2 – Tender Scope

### 1. Introduction

SP Energy Networks (SPEN) owns and operates the electricity distribution networks in Central and Southern Scotland (our SP Distribution network) and North Wales, Merseyside, Cheshire, and North Shropshire (our SP Manweb network). Through our two networks of underground cables, overhead lines and substations we provide 3.5 million homes, businesses and public services with a safe reliable and efficient supply of electricity.

To meet evolving customer needs and system challenges whilst ensuring we continue to provide a safe, reliable and efficient service, SPEN are developing smarter, more flexible network solutions to help mitigate the need for traditional reinforcement and reduce costs for customers.

Resources connected to our networks can provide services to assist in key areas that have specific challenges during periods of network constraint, and we are committed to exploring markets for flexibility with new and existing customers who are able and willing to control how much they generate, or who can control their demand.

**We are currently looking to procure flexibility services to assist particular areas of network within both the SP Distribution and SP Manweb distribution areas during times of constraint for the period 2021 to 2028.**



## 2. Flexibility Services

Flexibility means the ability to modify energy generation and/or consumption patterns in reaction to an external signal. This Invitation to Tender is tendering for all four of the standard industry products developed by the Open Networks project, namely:

Active Power Service	Definition
Sustain	The Network Operator procures, ahead of time, a pre-agreed change in input or output over a defined time period to prevent a network going beyond its firm capacity. This is a scheduled service therefore we would pay for Utilisation only.
Secure	The Network Operator procures, ahead of time, a pre-agreed change in input or output over a defined time period to prevent a network going beyond its firm capacity. Requirements are declared a week ahead for this product and for this we would pay an Arming fee when the service is scheduled and Utilisation charges on delivery.
Dynamic	The Network Operator procures, ahead of time, the ability of a Service Provider to deliver an agreed change in output following a network abnormality. For this product we would pay Availability and Utilisation charges.
Restore	Following a loss of supply, the Network Operator instructs a provider to either remain off supply, or to reconnect with lower demand, or to reconnect and supply generation to support increased and faster load restoration under depleted network conditions. We offer Utilisation only payments for this product.

In addition, we will once again be looking to procure Reactive Power Services in a number of CMZs.

## 3. Service Requirements

The detailed Service Requirements are as per those uploaded on to the Picloflex platform [www.picloflex.com](http://www.picloflex.com). For information, copies of the requirements are available as follows:

- Appendix 1 SP Distribution Service Requirements
- Appendix 2 SP Manweb Service Requirements

Should the requirements on the Picloflex platform differ to those included in Appendix 1 and 2, the requirements uploaded on Picloflex shall take precedence.

## 4. Operation

The Company will utilise the Flexible Power portal to dispatch and settle services. It is a requirement that, following contract award, Providers establish the necessary API interface. A comprehensive guide to API set-up is available on <https://www.flexiblepower.co.uk/sp-energy-networks/tools-and-documents>

## 5. Testing and Pre-delivery

Following contract award, and prior to service delivery where appropriate, Providers and their assets must fulfil their Post Tender Milestones as set out in the Delivery Plan and Flexibility Services Agreement. This shall include milestones such as grid connections, connection point details provided, and testing. Providers are required to keep the Company informed on progress. Failure to meet the Post Tender Milestones could result in termination of the Flexibility Services Agreement for the affected assets.

All Providers must complete API Testing prior to delivery. The date of the API Test will be at least 1 month prior to service delivery in accordance with the Flexibility Services Agreement.

API testing must be performed in the User Acceptance Testing (UAT) environment which offers new Providers a safe environment in which to establish and test the technical aspects of the Flexible Power service. UAT replicates the live environment that is used for operating all Flexibility Services.

Once a Provider has completed the initial set up and testing within the UAT environment they will be provided with a log in to the full production environment. This will require the Provider to modify the API to reflect the 'end point' so that they are able to receive the signals to their chosen device and send metering signals / emergency stop to Flexible Power's live production environment. Once established in the live production environment, the Provider may begin declaring availability with a view to begin delivering service if instructed.

## 6. Baseline

The Company's Baseline methodology is available at:

<https://www.flexiblepower.co.uk/sp-energy-networks/tools-and-documents>

## 7. Dispatch Principles

Services will be dispatched in accordance with three principles – operability, security of supply and cost efficiency. Further details can be found at <https://www.flexiblepower.co.uk/sp-energy-networks/tools-and-documents>

## 8. General

By submitting a bid, Providers are confirming their acceptance of the terms and conditions of this Invitation to Tender.

## PART 3 – Company Policies

Tenders must be submitted in accordance with the Company's policies. The latest copies can be accessed via the following link: [https://www.spenergynetworks.co.uk/pages/corporate\\_policies.aspx](https://www.spenergynetworks.co.uk/pages/corporate_policies.aspx)

## PART 4 – Flexibility Services Agreement

By submitting a tender, Providers are confirming their acceptance if their bid is accepted to enter into a Flexibility Services Agreement on the terms contained in the templates available at <https://www.flexiblepower.co.uk/sp-energy-networks/tools-and-documents>

The Schedules to the Agreement will be updated to reflect the service contracted for.

## PART 5 – Pre-qualification

The Company is using the Picloflex platform to run the tender process for this Invitation to Tender. Picloflex can be accessed via the following link: [www.picloflex.com](http://www.picloflex.com)

- Picloflex is operating a Dynamic Purchasing System and for Providers wishing to take part in this Tender they will first need to be registered on the Picloflex platform. Details on how to do this can be found at [www.picloflex.com](http://www.picloflex.com). Specific company information is required and once completed, the Company will review and accept or reject the application. Accepted registration must be in place before a tender can be submitted.
- To take part in this Tender, Providers will need to upload assets on to the Picloflex platform by the pre-qualification deadline. Details on how to do this can be found at [www.picloflex.com](http://www.picloflex.com). Once uploaded, the Company will review the details provided and accept or reject the asset. Only assets accepted before the tender window opens can be included in a submitted tender.
- If insufficient capacity is uploaded on to the platform for a particular CMZ by the pre-qualification deadline, all assets in that CMZ may be rejected as the location will not progress to competitive tender.

There is no charge for Providers to register or upload assets on to the Picloflex platform.

Further information on pre-qualification is available at:

<https://www.flexiblepower.co.uk/sp-energy-networks/tools-and-documents>

## PART 6 – Bid Assessment

The Bid Assessment criteria is available at:

<https://www.flexiblepower.co.uk/sp-energy-networks/tools-and-documents>



**SP ENERGY  
NETWORKS**

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