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**UK-London: wide area network
2011/S 165-273113**

CONTRACT NOTICE

Services

SECTION I: CONTRACTING AUTHORITY

I.1) NAME, ADDRESSES AND CONTACT POINT(S)

Department of Energy and Climate Change (DECC)

3 Whitehall Place

Attn: Andrew Wilson

SW1A 2HD London

UNITED KINGDOM

Tel. +44 3000686073

E-mail: dcc.services.procurement@decc.gsi.gov.uk

Internet address(es)

General address of the contracting authority <http://www.decc.gov.uk>

Address of the buyer profile http://www.decc.gov.uk/en/content/cms/tackling/smart_meters/dcc/dcc.aspx

Further information can be obtained at: As in above-mentioned contact point(s)

Specifications and additional documents (including documents for competitive dialogue and a dynamic purchasing system) can be obtained at: As in above-mentioned contact point(s)

Tenders or requests to participate must be sent to: As in above-mentioned contact point(s)

I.2) TYPE OF THE CONTRACTING AUTHORITY AND MAIN ACTIVITY OR ACTIVITIES

Ministry or any other national or federal authority, including their regional or local sub-divisions

Environment

The contracting authority is purchasing on behalf of other contracting authorities Yes

SECTION II: OBJECT OF THE CONTRACT

II.1) DESCRIPTION

II.1.1) Title attributed to the contract by the contracting authority

Smart metering implementation programme – communications services.

II.1.2) Type of contract and location of works, place of delivery or of performance

Services

Service category: No 5

NUTS code UK

II.1.3) The notice involves

A public contract

II.1.4) Information on framework agreement

II.1.5) Short description of the contract or purchase(s)

Wide area network. Telephone and data transmission services. Data transmission services. IT services: consulting, software development, Internet and support. The UK Government has an objective for every home in Great Britain (GB) to have smart energy meters, empowering people to manage their energy consumption

and reduce their carbon emissions. Businesses and public sector users would also have smart or advanced energy metering suited to their needs. The rollout of smart meters will play an important role in GB's transition to a low-carbon economy, and help us meet some of the long-term challenges we face in ensuring an affordable, secure and sustainable energy supply. Communication of data to and from smart meters in the domestic sector will be managed centrally by a new, GB-wide function covering both the electricity and gas sectors. We refer to this new function as the central data and communications company (DCC). In advance of the appointment of the DCC through a competitive licence application process, DECC is initiating the process for procurement of the data and communication services that will be contracted to DCC. For the avoidance of doubt, although DECC (referred to as "the Authority") will be administering the procurement process, the services will be provided to DCC and it is intended that DCC would take over the procurement from DECC and sign the contracts. As such DECC has therefore elected to voluntarily follow the broad principles of the competitive dialogue procedure. This contract notice covers the procurement of communications services to connect meters in up to 30 000 000 households and businesses across GB (initial figures – subject to growth). The communications services will be split into three geographically based lots. The Authority's objective is for every home in GB to be capable of receiving smart metering services. The Authority does not expect to tender separate contracts to companies providing a particular solution within a lot, but will tender communications services contract(s) on a prime contractor basis for each lot. The successful organisation(s) would then be responsible for managing any subcontractors and delivering an integrated solution meeting the required coverage targets. Bidders should register their request to participate in relation to this contract notice on 14.10.2011 (17:00) (as specified in section IV.3.4 of this notice). Registration should be by way of submitting a completed Pre-Qualification Questionnaire (PQQ). Instructions for the submission of PQQ responses will be provided within the PQQ. The PQQ and prospectus will be provided to bidders on receipt of a properly formatted email request to dcc.services.procurement@decc.gsi.gov.uk providing the following information: Subject: Request to receive smart metering data services PQQ Organisation name: [Organisation] Single point of contact (SPOC): [Name] SPOC job title: [title] SPOC email address: [email] SPOC contact telephone: [number] Copies of the PQQ and prospectus will be issued on request, and will be available from 9.9.2011. The deadline to submit clarification questions in relation to this contract notice or the PQQ is on 26.9.2011 (9:00), further instructions will be provided within the PQQ. For the avoidance of doubt, expressions of interest received to the smart metering implementation programme's previous Prior Information Notice (2011/S 91-148947, 9.5.2011) will not be carried forward. Bidders must expressly respond to this contract notice if they wish to register their interest to participate and to receive a PQQ. A separate contract notice has been issued for smart metering data services. Bidders wishing to bid for communications services and data services must respond to each contract notice separately. Responses to the PQQ will be used to select and limit (as detailed in section IV.1.2 of this notice) the number of bidders who will be invited to participate in dialogue. It is suggested that bidders request their relevant IT department to add the domain "@decc.gsi.gov.uk" to their "safe senders list". This should prevent any communications from the smart metering implementation programme being treated as spam which could result in delayed or lost communications.

II.1.6) **Common procurement vocabulary (CPV)**
32430000, 64210000, 72318000, 72000000

II.1.7) **Contract covered by the Government Procurement Agreement (GPA)**
Yes

II.1.8) **Division into lots**
Yes
tenders should be submitted for one or more lots

II.1.9) **Variants will be accepted**

No

II.2) **QUANTITY OR SCOPE OF THE CONTRACT**

II.2.1) **Total quantity or scope**

The Authority's requirements (on behalf of the DCC) for the communications services will be split into three geographically based lots:

Lot 1 – Smart meter communications services in northern GB including Scotland.

Lot 2 – Smart meter communications services in central GB including Wales.

Lot 3 – Smart meter communications services in southern GB.

Bidders may bid for one, two or all three lots. The Authority reserves the right to consider multi-lot discounts from bidders, if it can be demonstrated through the competitive dialogue process that this would achieve a more economically advantageous outcome for Great Britain as a whole.

The scope for each of the lots will include:

- Provision of communications services for up to 100 % of smart meters in the specified geographic area,
- Supply (but not installation of) the communications module that will allow the smart meter to connect to the communications service,
- Connection of the communications service to one or more data centre locations specified by the Authority/ DCC.

Additionally, the scope of each lot may include the take on of responsibility for communications services to compliant smart meters already installed within the specified geographic area. This will be to the extent that there is a net benefit and a limit may be applied.

There will be a requirement for DCC and its service providers' sites and systems, necessary for the communications services, to be located in GB and all data to be stored and/or processed within the European Economic Area.

The Authority reserves the right to separate the supply of the communications module in to a separate work package within each geographic lot (or to exclude the supply of the communications module entirely from this procurement), and apply separate contractual conditions relating to its supply.

The Authority expects the contract term for each lot will be in the range of 9 to 15 years from contract award, with provisions to break after 9 years (for initial contract terms in excess of 9 years) and to extend up to a maximum additional term of 5 years. The Authority reserves the right to set different contract lengths within this range for each lot.

The value of each of the lots will depend on the contracted term (i.e. 9 to 15 years plus possible extensions) and the precise boundary of the geography that is agreed. However, the total contract value of each lot is expected to be between GBP 330m and GBP 1,525m (330 000 000 and 1 525 000 000 GBP) including possible extensions and exclusive of VAT.

The Authority anticipates a requirement for different levels of assurance, at various stages of the procurement process, that the solutions proposed will deliver the services proposed. The Authority expects to apply a confidence rating during evaluation and that the required confidence rating will increase as the procurement progresses.

II.2.2) **Options**

II.3) **DURATION OF THE CONTRACT OR TIME-LIMIT FOR COMPLETION**

INFORMATION ABOUT LOTS

LOT NO: 1

TITLE Smart meter communications services in northern GB including Scotland

1) **SHORT DESCRIPTION**

The services procured within this lot will be for northern GB including Scotland. The precise boundaries of each lot will be defined during the procurement process, but are expected to follow the existing electricity network distribution operator boundaries (www.nationalgrid.com/uk/Electricity/AboutElectricity/DistributionCompanies/).

2) **COMMON PROCUREMENT VOCABULARY (CPV)**

32430000, 64210000, 72318000, 72000000

3) **QUANTITY OR SCOPE**

Range between 330 000 000 and 1 525 000 000 GBP exclusive of VAT.

4) **INDICATION ABOUT DIFFERENT DATE FOR DURATION OF CONTRACT OR STARTING/COMPLETION**

Duration in months: 240 (from the award of the contract)

5) **ADDITIONAL INFORMATION ABOUT LOTS**

The Authority reserves the right to set different contract lengths for each lot. The Authority reserves the right to separate the supply of the communications module in to a separate work package (or to exclude the supply of the communications module entirely from this procurement) and apply separate contractual conditions relating to its supply.

LOT NO: 2

TITLE Smart meter communications services in central GB including Wales

1) **SHORT DESCRIPTION**

The services procured within this lot will be for central GB including Wales. The precise boundaries of each lot will be defined during the procurement process, but are expected to follow the existing electricity network distribution operator boundaries (www.nationalgrid.com/uk/Electricity/AboutElectricity/DistributionCompanies/).

2) **COMMON PROCUREMENT VOCABULARY (CPV)**

32430000, 64210000, 72318000, 72000000

3) **QUANTITY OR SCOPE**

Range between 330 000 000 and 1 525 000 000 GBP exclusive of VAT.

4) **INDICATION ABOUT DIFFERENT DATE FOR DURATION OF CONTRACT OR STARTING/COMPLETION**

Duration in months: 240 (from the award of the contract)

5) **ADDITIONAL INFORMATION ABOUT LOTS**

The Authority reserves the right to set different contract lengths for each lot. The Authority reserves the right to separate the supply of the communications module in to a separate work package (or to exclude the supply of the communications module entirely from this procurement) and apply separate contractual conditions relating to its supply.

LOT NO: 3

TITLE Smart meter communications services in southern GB

1) **SHORT DESCRIPTION**

The services procured within this lot will be for southern GB. The precise boundaries of each lot will be defined during the procurement process, but are expected to follow the existing electricity network distribution operator boundaries (www.nationalgrid.com/uk/Electricity/AboutElectricity/DistributionCompanies/).

2) **COMMON PROCUREMENT VOCABULARY (CPV)**

32430000, 64210000, 72318000, 72000000

3) **QUANTITY OR SCOPE**

Range between 330 000 000 and 1 525 000 000 GBP exclusive of VAT.

4) **INDICATION ABOUT DIFFERENT DATE FOR DURATION OF CONTRACT OR STARTING/COMPLETION**

Duration in months: 240 (from the award of the contract)

5) **ADDITIONAL INFORMATION ABOUT LOTS**

The Authority reserves the right to set different contract lengths for each lot. The Authority reserves the right to separate the supply of the communications module in to a separate work package (or to exclude the supply of the communications module entirely from this procurement) and apply separate contractual conditions relating to its supply.

SECTION III: LEGAL, ECONOMIC, FINANCIAL AND TECHNICAL INFORMATION

III.1) **CONDITIONS RELATING TO THE CONTRACT**

III.1.1) **Deposits and guarantees required**

The Authority reserves the right to require deposits, guarantees, bonds or other forms of appropriate security. Further details will be provided in the tender documents.

III.1.2) **Main financing conditions and payment arrangements and/or reference to the relevant provisions regulating them**

The successful bidder(s) for the communications services contracts will be required to fund the system development and infrastructure that may be needed, and to levy a service charge to DCC. Further details will be provided in the tender documents issued at the relevant stage of the procurement process.

III.1.3) **Legal form to be taken by the group of economic operators to whom the contract is to be awarded**

Where a consortium wishes to bid the Authority reserves the right to require groupings of suppliers to take a particular legal form or to require a single supplier to take primary liability or to require that each party undertakes joint and severable liability irrespective of the form the grouping takes.

III.1.4) **Other particular conditions to which the performance of the contract is subject**

Yes

DCC will be subject to a specific set of licence conditions which will include a requirement to comply with the future Smart Energy Code (SEC). Service providers must support DCC in meeting its contractual and regulatory obligations.

In the Government's response to the July 2010 Prospectus for the Smart Metering Implementation Programme (published on 30.3.2011 jointly by the Authority and OFGEM), it was stated that DCC will be independent of its service providers. As this procurement process and the DCC licence process will be undertaken in parallel, organisations selected to participate in dialogue for communications services will not be eligible to bid for the DCC licence.

The Authority anticipates that DCC will require assurance services to audit and provide assurance that the overall solution complies with the security framework and other relevant standards for smart metering services. Should DCC choose to let a contract for these services, the communications service provider(s) and its contractors will be excluded from providing such services to DCC.

Compliance with EU and UK legislation and policy objectives including in relation to Health and Safety, environmental considerations and equal opportunities. Appropriate professional indemnity insurance.

The Authority shall not be responsible for any costs, charges or expenses incurred by bidders and accept no liability for any costs, charges or expenses, irrespective of the outcome of the competition, or if the competition is cancelled or postponed. Bidding and bid costs are entirely at the risk of bidders and will not be refunded by the Authority.

III.2) **CONDITIONS FOR PARTICIPATION**

III.2.1) **Personal situation of economic operators, including requirements relating to enrolment on professional or trade registers**

Information and formalities necessary for evaluating if requirements are met: In accordance with the Public Contracts Regulations 2006 (as amended) and as set out in the PQQ. Minimum level(s) of standards required as set out in the PQQ.

III.2.2) **Economic and financial capacity**

Information and formalities necessary for evaluating if requirements are met: In accordance with the Public Contracts Regulations 2006 (as amended) and as set out in the PQQ. Minimum level(s) of standards required as set out in the PQQ.

III.2.3) **Technical capacity**

Information and formalities necessary for evaluating if requirements are met:
In accordance with the Public Contracts Regulations 2006 (as amended) and as set out in the PQQ. Minimum level(s) of standards required as set out in the PQQ.

III.2.4) **Reserved contracts**

No

III.3) **CONDITIONS SPECIFIC TO SERVICES CONTRACTS**

III.3.1) **Execution of the service is reserved to a particular profession**

No

III.3.2) **Legal entities should indicate the names and professional qualifications of the staff responsible for the execution of the service**

SECTION IV: PROCEDURE

IV.1) **TYPE OF PROCEDURE**

IV.1.1) **Type of procedure**

Competitive dialogue

IV.1.2) **Limitations on the number of operators who will be invited to tender or to participate**

Envisaged minimum number 3 maximum number 8

Objective criteria for choosing the limited number of candidates: In accordance with the Public Contracts Regulations 2006 (as amended) and as set out in the PQQ. The Authority reserves the right to limit the number of suppliers who will be invited to participate in dialogue to a maximum of 8 on the basis of their responses to the PQQ provided that they satisfy the minimum standards required as set out in the PQQ.

IV.1.3) **Reduction of the number of operators during the negotiation or dialogue**

Recourse to staged procedure to gradually reduce the number of solutions to be discussed or tenders to be negotiated Yes

IV.2) **AWARD CRITERIA**

IV.2.1) **Award criteria**

The most economically advantageous tender in terms of the criteria stated in the specifications, in the invitation to tender or to negotiate or in the descriptive document

IV.2.2) **An electronic auction will be used**

No

IV.3) **ADMINISTRATIVE INFORMATION**

IV.3.1) **File reference number attributed by the contracting authority**

1713-06-08

IV.3.2) **Previous publication(s) concerning the same contract**

Prior information notice

Notice number in OJ: [2011/S 91-148947](#) of 9.5.2011

- IV.3.3) **Conditions for obtaining specifications and additional documents**
- IV.3.4) **Time-limit for receipt of tenders or requests to participate**
14.10.2011 - 17:00
- IV.3.5) **Date of dispatch of invitations to tender or to participate to selected candidates**
- IV.3.6) **Language(s) in which tenders or requests to participate may be drawn up**
English.
- IV.3.7) **Minimum time frame during which the tenderer must maintain the tender**
- IV.3.8) **Conditions for opening tenders**

SECTION VI: COMPLEMENTARY INFORMATION

- VI.1) **THIS IS A RECURRENT PROCUREMENT**
No
- VI.2) **CONTRACT RELATED TO A PROJECT AND/OR PROGRAMME FINANCED BY EU FUNDS**
No
- VI.3) **ADDITIONAL INFORMATION**
GO Reference: GO-2011826-PRO-2589613.
- VI.4) **PROCEDURES FOR APPEAL**
 - VI.4.1) **Body responsible for appeal procedures**
 - VI.4.2) **Lodging of appeals**
Precise information on deadline(s) for lodging appeals: The Authority will as soon as possible after the decision has been made inform tenderers and candidates of its decision to award the contract and provide the information required by regulation 32 of the Public Contracts Regulations 2006. It will observe the standstill period required by regulation 32A of those Regulations. The Regulations provide that where a duty owed to economic operators is not observed by the Contracting Authority the breach is actionable in the High Court (England, Wales and Northern Ireland). Any such action must be brought promptly (generally within 3 months).
 - VI.4.3) **Service from which information about the lodging of appeals may be obtained**
- VI.5) **DATE OF DISPATCH OF THIS NOTICE:**
26.8.2011