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Smart Metering Implementation Programme – Regulatory Design Team  
Department of Energy & Climate Change  
3 Whitehall Place  
London  
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16th May 2012

Dear Sir / Madam

G4S Utility and Outsourcing Services (UK) Ltd (G4S) have reviewed the consultation document (URN 12D/030) and are pleased to have the opportunity to provide input to the development of policy in this area ahead of further review of the consultation on the Licence Conditions due by 1<sup>st</sup> June 2012.

The creation of the DCC is a major undertaking and it is essential that DECC ensure maximum value is delivered for the UK consumer through a rigorous selection process that is able to sustain the scrutiny which may result. It is also important to ensure that the application process ensures that the maximum number of interested parties are involved and that the final proposals provide value for money to the UK consumer with a sustainable commercial model for the successful applicant.

Having extensive experience of bidding for and delivering major government outsourcing projects we generally agree with the proposals as drafted in the consultation document.

Given that the initial procurement event will be for an entirely new monopoly service, the scope of which is still to be finally and understood, and that DECC wishes to encourage participation we would agree that a BAFO stage is required to give all bidders the opportunity to reflect learning through the process in a revised proposal.

Furthermore as elements of the service may be self-delivered, subcontracted or even delivered through the DCC Service Provider packages (CSP and DSP) it is important to allow bidders to reflect the changing scope through an amended consortium if appropriate. A change in scope may result from changes to the work share across the various procurement events or through choices of delivery model made by prospective bidders through the DCC licence application process.

One point we do wish to make is with regard to the provision of financial security (paras 5.24 – 5.29). The financial security of the bidder or consortium should be a material factor in selection of an organisation to operate as the DCC.

The scale of "Relevant Sum" to be provided and demonstrated through the bid process should be quantified up-front as a minimum criteria and not, as could be interpreted from the current drafting in paragraphs 5.28 and 5.29, determined through the application process.



This would allow bidders to better assess their suitability for the opportunity and deter organisations from guessing the level of security that may be needed. This would not prevent bidders providing an increased sum as part of a value add or differentiated offer should they believe this would be attractive and provide relative value for money in the overall assessment of their commercial proposal.

We look forward to continuing our engagement with DECC throughout the Smart Metering Implementation Programme and will provide support where we can, leveraging our position as a leading provider of Smart Metering field and data management services.

Yours Sincerely