

November 26, 2009

Mr. Alistair MacDonald Chairman Dounreay Stakeholder Group Seaview Guest House Hill of Forss Janetstown Thurso Caithness KW14 7XQ

Reference: DOU - PBO-NDA-0064

Dear Alistair,

REF: Dounreay PBO Competition Industry Day

In my last letter to you on the subject of the Industry Event for the competition, I mentioned that there were some emerging issues in respect of the timing of the event due to the delays that were being experienced as a result of the UKAEA sale. Unfortunately, this has been further compounded by some additional work that NDA has been obliged to complete in advance of the Government's Public Value Programme. This has been essential to justify and secure a level of funding for Dounreay that will sustain a viable competition, while maintaining the site in a safe, secure, and environmentally compliant position. The unfortunate impact of these activities has been an inability on our part to finalise the dates of the Industry Event.

In the intervening period, the competition team has also completed a market engagement exercise with potential bidders. One of the key messages we received is that industry would find it valuable to have more time than the original competition schedule allowed to form up teaming arrangements for bidding. The only way for us to accommodate this request in our existing schedule is to extend the period between Parts 1 and 2 of the Event. To do this, we need to draw forward the date of Part 1 in Caithness, probably to late January or very early in February. To make these modified arrangements work, the NDA will need to take a little more time at the opening of Part 1 to outline the fundamentals of the competition process. However, please be assured that this will in no way diminish our commitment to ensure that local stakeholders have the opportunity to express, to the fullest extent, their expectations and aspirations in regard to an incoming PBO.

The precise date for Part 1 on this revised basis will depend on the availability of the Wick Assembly rooms, and also key speakers from the stakeholder community. It would be our intention to retain the planned March date for Part 2 of the event. This will allow the competition team to complete a Major Project Review which we are obliged to undertake with central Government bodies before Part 2.



I recognise and regret this change in the planned arrangements, although I hope I have explained why it is necessary. The good news in all of this is that the external factors which have impacted the commencement of the competition have been resolved, enabling us to proceed now with some confidence. I would say also that, whilst the uncertainty and change are unwelcome, I believe this revised approach will offer some advantages for local stakeholders, not least in allaying some of the concerns which were expressed about attendance levels at the Part 1 Event.

David Hughes and I plan to be in Thurso on the 2nd/3rd of December and would appreciate the opportunity to meet with you and other stakeholders as appropriate to explain in more detail our thinking, and the reasons for the changes. In the meantime, I hope we can continue to engage with your sub group on finalising the arrangements for the Caithness part of the Industry Event on the basis of these revised plans.

If you would like to discuss any of the points in this letter before our visit to Caithness, please don't hesitate to get in touch.

Yours sincerely,

Graeme Rankin

Competition Programme Manager Pelham House Calderbridge Cumbria CA20 1DB

T: 01925 802580 M: 07971 918199

Copy to: John Clarke NDA

Phil Trevena NDA
David Hughes NDA
Andrea Livesey NDA
Randall Bargelt NDA
Rachael Collins NDA
Anna MacConnell NDA
John Lawes NDA

June Love Secretary, DSG Competition Project File