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3 August 2010

Mr. Bob Earnshaw  
Chairman  
Dounreay Stakeholder Group  
C/O Dounreay.com  
Traill House  
7 Orlig Street  
Thurso  
Caithness  
KW14 7BJ

Reference: DOU-PBO-eNDA-0289

Dear Bob,

**REF: Dounreay PBO Competition – Socio Economic Approach**

I am writing to express our appreciation for affording us the opportunity to participate in the

ongoing work of the PBO. We are pleased to have been selected as a participant in the PBO and we are looking forward to working with you and the other participants to develop a socio-economic approach to the PBO. We are also looking forward to working with you and the other participants to develop a socio-economic approach to the PBO.

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As you are aware, following consultation with stakeholders in Caithness (including John Thurso MP, Highlands and Islands Enterprise, the Highland Council, Caithness and North Sutherland Regeneration Partnership, and the Chamber of Commerce), the NDA has articulated the key requirements and expectations in relation to socio-economic input/participation by the successful bidder. We are extremely grateful to have had the opportunity to consult with you and to have been able to incorporate stakeholders' comments and suggestions into the NDA's statement of requirements in this for Competition Programme Board review and approval.

As you would expect, we have a series of engagements with the Competition Programme Board scheduled between now and October which are intended to secure endorsement for the process of evaluation. This will take place within the context of governance review of the wider Invitation to Participate in Dialogue (ITPD), which includes the Descriptive Document mentioned in your letter. Subject to governance approval being granted by the Competition Programme Board, the ITPD will then be issued to both participants. For reasons of commercial confidentiality and compliance with the EU Procurement Rules and Public Contract Regulations, the evaluation approach must remain confidential until that time. Whilst this will not afford DSG the early visibility requested, please bear in mind the fact that a key consideration for the NDA and the Competition Programme Board has been the need to ensure that the competition process fully reflects the importance of socio-economic issues at Dounreay.

You also requested sight of the finalised contract. This will certainly be possible in due course, but please note that contract finalisation necessarily takes place very late in the competition process, after completion of tender assessment and announcement of the preferred bidder. It is worth noting, following your review of the socio-economic requirements document and our subsequent incorporation of your comments, that the



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As agreed, we will update the Competition Programme Board on August 10<sup>th</sup> on the key topics of our 14 July discussion, and in particular your wish that NDA senior management be made aware that DSG wishes to see the criteria weightings. I will write to you again following that meeting to advise its outcome.

I realise that this response may not fully meet the DSG's aspirations but I hope it serves to highlight the contextual framework within which the NDA must work, and that we very much share your ambitions for positive outcomes in these matters.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'D. Hughes'.

David Hughes

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Project File