

Dounreay Competition – Socio-Economic Update

Socio-economic matters remain a matter of fundamental interest in the competition. The NDA attaches great importance to these issues at Dounreay, and hence the treatment of socio-economic requirements continues to be a key feature of the NDA's thinking in its ongoing work developing the evaluation criteria and methodology.

The approach to the socio-economic criteria has been developed in three strands:

1. The definition of socio-economic requirements relative to both the SLC and the PBO:

- The NDA will incorporate socio-economic performance requirements in the competed SLC and PBO contracts.
- The NDA has consulted stakeholders in developing these socio-economic requirements, and all input suggestions are being incorporated in the draft statement of requirements. The NDA will share the final version.

2. The treatment of socio-economics in the tender evaluation process:

- Socio-economic requirements are very important and will be treated accordingly in the evaluation model.
- The NDA is currently undertaking extensive work to develop the proposed evaluation methodology, and in doing so continues to take account of stakeholders' views.
- Development work on the evaluation model is scheduled to be completed in time for a governance approval submission in mid-October.
- Subject to the completion of development work and the outcome of the October governance review, the NDA is minded to promote the fulfilment of socio-economic requirements to one of very few 'threshold status' items in the evaluation model.
- Threshold status for socio-economics would result in:
 - The NDA rejecting any tender which failed to provide a robust and effective undertaking to meet the defined socio-economic requirements (referred to in paragraph 1 above), no matter how attractive any other features of the tender were.
 - Socio-economic requirements being much better underpinned than under a percentage weighting regime, since a weighted scoring process could result in a tender which scored poorly on socio-economics nevertheless winning if high scores were achieved in all other areas.
 - Socio-economics being afforded similar evaluation status to safety.
- In their final tenders, Bidders will be required to show how they will meet the NDA's stated socio-economic requirements.
- The NDA's socio-economic subject matter experts will evaluate these elements of the final tender responses to ensure that they provide full and effective responses to the agreed socio-economic requirements.

3. The means by which ongoing fulfilment of socio-economic requirements will be embedded in the awarded contracts.

- The ongoing fulfilment of socio-economic requirements **will** be an enduring contractual obligation in the awarded Dounreay SLC and PBO contracts – note that this is a stronger position than that adopted in either the LLWR or Sellafield contracts

Bidder engagement with stakeholders

The NDA is encouraging Bidders to liaise with stakeholders on their thoughts, prior to submitting their final socio economic commitment - and understand that this is currently underway. The NDA will also facilitate a period of formal engagement in late 2010.