

# Dounreay Parent Body Organisation Competition: Invitation to Participate in Dialogue

## Section 3, Appendix 6: Statement of Award Criteria and Weightings.

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## **Award Criteria**

The NDA will select a Preferred Participant who, in accordance with the award criteria and evaluation methodology, has submitted the most economically advantageous tender. The award criteria declared in this Appendix have been developed specifically to reflect the factors which the NDA consider to be of critical importance to the identification of the most economically advantageous tender for the competed Dounreay PBO role. The award decision will be based solely on the specified award criteria applied in accordance with the associated evaluation methodology.

Due to the complexity of the NDAs requirements, the award criteria provided in this Appendix are declared at a high level only. It is intended that lower level criteria will be refined as dialogue progresses. Regular updates will be provided to Participants throughout the course of dialogue. It is the NDA's intention that the award criteria (including any sub criteria), weightings and marking schemes will be declared to Participants in full as soon as reasonably practicable.

The NDA's evaluation of final tenders will assess the Solutions submitted by Participants in response to the ITSFT. The NDA expects that these Solutions will reflect the detailed approaches discussed and agreed between each Participants and the NDA during the dialogue phase.

Failure to provide a complete and full response to the requirements laid out in the ITSFT may result in the tender being considered to be non compliant and on that basis may be excluded from evaluation.

Annex 1 provides a graphical representation of the evidence sources the NDA will require in each Participant's ITSFT submission.

Annex 2 shows the relationship between the evidence sources and the scoring structure. Annex 3 sets out the NDA's intended weighting ranges. It also sets out the criteria which fall within the following categories:

- pure threshold – criteria where a defined requirement must be satisfied. No evaluation score will be awarded for exceeding the threshold; and
- threshold / ranking – criteria where a defined requirement must be satisfied. An evaluation score will be awarded (within defined parameters) where Participants' proposals are deemed to exceed the threshold.

Any assumptions or exclusions proposed by Participants will be assessed. Further details will be provided in due course.

## 1 Cost – (Weighting Range 50% – 70%)

The evaluation of cost will comprise of three criteria:

- target cost/performance fee;
- estimate; and
- underpinning,

with each criteria being individually weighted. Further details of the weightings will be provided in due course.

**1.1 Target Cost and Performance Fee** – Under this criteria the NDA will assess the total cost to it over the course of the SLCA. It is currently anticipated that the Participant with the lowest overall cost to the NDA arising from this aspect of the evaluation will receive the maximum score. The other Participant will receive a score proportional to the relationship between its cost to the lowest overall cost, within a capped range (to be defined during dialogue) above the lowest overall cost. For example, in the event that a capped range of +£500m was adopted, the following scoring outcome would emerge:

	Total Cost to NDA £'000	Calculation	Score
Participant A	2,850	$\frac{500 - (2,850 - 2,555)}{500}$	0.41
Participant B	2,555	Lowest cost = max score allocated	1.00

*Note: In the above case the cap would be £2,555M + £500M = £3,055M. The total score may change.*

If the difference between each of the Participants' cost proposals exceeds the capped sum range, the Participant with the higher cost proposal would receive a score of zero.

The nature of the assessment to be used in the evaluation will be discussed and confirmed by the NDA during dialogue.

**1.2 Estimate** Under this criteria the NDA will assess the quantum of each Participant's base, P50 and P80 estimates. This assessment will assist the NDA in assessing the degree of confidence it will have in the target cost proposal made by Participants.

It is currently anticipated that the Participant with the lowest quantum for base, P50 and P80 estimates will receive the maximum score, with the other Participant receiving a proportional score calculated similarly to the arrangements described in 1.1 above, including the application of a capped range. It is currently intended that each estimate will be weighted in order of importance and an overall score will be determined based on the weighting. For example, in the event that a capped range of +£500m was adopted, the following scoring outcome would emerge:

	Base Estimate – 25%			P50 Estimate – 50%			P80 Estimate – 25%		
	Value £'000	Score	Weighted Score	Value £'000	Score	Weighted Score	Value £'000	Score	Weighted Score
Participant A	2,050	1.00	0.25	2,500	1.00	0.50	2,950	0.59	0.15
Participant B	2,235	0.63	0.16	2,595	0.81	0.41	2,745	1.00	0.25

*Note: weightings are for illustration only. The total score may change.*

The overall scores for the estimate evaluation would be:

Participant A =  $0.25 + 0.50 + 0.15 = 0.90$

Participant B =  $0.16 + 0.41 + 0.25 = 0.82$

If the difference between each of the Participants' cost estimates exceeds the capped sum range, the Participant with the higher cost estimate would receive a score of zero.

The nature of the assessment to be used in the evaluation will be discussed and confirmed by the NDA during dialogue.

- 1.3 Underpinning** - Under this criteria the NDA will assess the underpinning and integrity of the quantum of the estimate and target cost. This is to provide the NDA with confidence in the estimates and schedules provided by each Participant. If a Participant's estimate and schedule are not well underpinned, the NDA will attach low confidence in the quantification of the estimates and target cost, and will apply scores accordingly.

This criteria will be assessed by evaluating each Participant's proposal concerning:

Estimating Methodology (Threshold Only);  
Scheduling methodology (Threshold Only);  
Overall Site Schedule (Threshold Only);  
Overall Site Summary (Threshold Only); and  
Detailed Level Information (Threshold / Ranking combination).

The nature of the assessment to be used in the evaluation will be discussed and confirmed by the NDA during dialogue.

## **2 Commercial (Contractual Terms) – (Weighting Range 15% - 25%)**

- 2.1 Under this criteria the NDA will assess each Participants' responses to the three proposed draft baseline contracts, the PBA, SLCA and Transition Agreement. This evaluation element will feature pure threshold and threshold / ranking award criteria.
- 2.2 The nature of the assessment to be used in the evaluation will be discussed and confirmed by the NDA during dialogue.

### **3. Overarching Strategy – (Weighting Range 2½% - 7½%)**

- 3.1 This Overarching Strategy (section 2 of the Delivery Plan) addresses those key strategic approaches which the NDA considers pivotal to the likelihood of successful contract performance at Dounreay. The award criteria in this section are categorised as pure threshold items with the exception of the Integration criterion, which will be treated as a threshold/ranking element.
- 3.2 The NDA will assess and score the Integration submission on the basis of the examples provided by Participants of where elements of the specific strategies which they propose for Dounreay have been previously employed successfully on a single site in a remote geographical location. To be clear, this element does not constitute a generic examination of Participants' track record; rather it provides for an assessment of a previous instance where the Participant successfully deployed the very specific strategies which the Participant proposes to utilise on the Dounreay site. The NDA reserves the right to validate any or all of the information provided in this element of the final tender response through a site visit by members of the Competition Team. The validation exercise will be part of the evaluation process and will be scored.
- 3.3 The nature of the assessment to be used in the evaluation will be discussed and confirmed by the NDA during dialogue.

### **4. Category Level information – (Threshold Only)**

- 4.1 Under this criteria which operates on a pure threshold basis, the NDA will assess compliance with the response requirements set out in section 3 of the Delivery Plan (Appendix 4 to Section 3 of this ITPD).
- 4.2 The nature of the assessment to be used in the evaluation will be discussed and confirmed by the NDA during dialogue.

### **5. Detailed Level Information – (Weighting Range 15% - 30%)**

- 5.1 Under this criteria the NDA will assess each Participant's responses to the response requirements set out in section 4 of the Delivery Plan (Appendix 4 to Section 3 of this ITPD). The criteria relating to this section will be assessed on a threshold/ranking basis.
- 5.2 The nature of the assessment to be used in the evaluation will be discussed and confirmed by the NDA during dialogue.