

DOUNREAY STAKEHOLDER GROUP

NDA COMPETITION UPDATE

Present:	Bob Earnshaw	DSG Chairman
	Derrick Milnes	DSG Socio Economic sub group chairman
	Nicola Dreaves	Chamber of Commerce
	Koreen MacDougall	Caithness Partnership
	Alan Scott	Caithness Contractors Consortium
	Eann Sinclair	Caithness & NS Regeneration Partnership
	Alastair MacDonald	DSG Honorary member
	Graeme Rankin	NDA Competition Programme Manager
	Anna MacConnell	NDA Socio Economic & Stakeholder Relations Manager
	June Love	DSG Secretariat, DSRL

NOTE FOR THE RECORD

On 16th August 2011 members of the DSG were invited to attend an update on the site competition.

Graeme Rankin, NDA Competition Programme Manager, thanked those who attended for providing him the opportunity to update the DSG. He noted that the last time there had been an update NDA was part way through the dialogue process.

Dialogue had formally closed at the end of July and the participating bidders had confirmed they were satisfied that they had received sufficient opportunity for feedback from NDA in terms of the acceptability of their proposed solution to allow dialogue to be closed.. Tenders are now expected at the end of August and evaluation by the NDA will then begin.

The evaluation teams will go into lock-down to carry out full evaluation which will follow the evaluation methodology, going from the high level into the detail looking for a consistent golden thread running consistently through the tender to provide the necessary level of underpinning.

This will take until the end of October and will subject to further review by the Major Projects Authority of Cabinet Office. At the same time NDA will start to compile the tender evaluation report.

In early November, there will be a period of internal and external governance with the NDA Board, Shareholder Executive and DECC. Scottish Government ministers will also be consulted. Following governance approval the identity of the preferred bidder will be announced by the NDA on November 23rd. However, competition does not end until the share transfer to the preferred bidder which is scheduled for the 2nd April 2012.

Following announcement of the preferred bidder there will be a ten day stand-still period, leading into a transition phase in early December which will run up to Christmas and carry on through the new year until the end of March.

A number of activities will be ongoing throughout the transition period including handover to incoming executives, completion of a due diligence process. This will culminate in the preferred bidder completing their internal governance arrangements and agreeing to take the shares in the Site Licence Company. The people nominated to take over the key executive seconded roles will also be required to demonstrate that they are suitably qualified and experienced to take over their executive roles.

The share transfer will take place on 2nd April and there will be a number of people on site, including NDA legal people to allow the appropriate documents to be signed off including the new contract. The existing SLC Board will then be dissolved and a new SLC Board will need to be constituted. The new Board will then appoint a Managing Director and the Managing Director declares his executive team fit for purpose and is qualified to fulfil their safety related roles. Nominally the shares come back to the NDA and then on to the new organisation.

The wider media event, on share transfer on 2nd April, will take place at the NDA Forss office and invitations will be issued to MP, MSP, representatives from DSG, CNSRP as well as a range of media personnel. It is likely that Chairman Stephen Henwood and Chief Executive Tony Fountain will attend which will provide the opportunity for interaction with the new PBO.

Anna MacConnell, NDA Socio Economic and Stakeholder Relations Manager noted that the announcement of the preferred bidder will take place in an ordered manner with a series of telephone calls or emails to a number of stakeholders. This will be carefully timed to ensure that the participating bidders are informed, followed by a staff announcement on the site from Simon Middlemas before external stakeholders are informed.

Following a question about when stakeholders can enter into discussions with the preferred bidder Graeme Rankin noted that following the Sellafield contract finalisation and transition the NDA had facilitated discussions with the unions and nominated management team to allow the unions to re-iterate key messages, thoughts, how they would like to work with new PBO and what they would not expect to happen. Similar discussions had also taken place, with NDA facilitating, with site stakeholder group. The facilitated discussion creates an opportunity to work with the new PBO from an early stage.

Graeme noted that during transition public information from the new PBO on their plans for the site would be limited (until share transfer on the 2nd April) but NDA would be happy to facilitate early discussions with stakeholders to explore with the preferred bidder what their thoughts were on socio economics and how they see their relationship/interaction with other bodies.

A question was asked when the bidders were obliged to let stakeholders know what their new plans were. Graeme Rankin said this would happen when the new PBO published the new lifetime plan which was expected to take about 9 months from share transfer.

Bob Earnshaw thanked Graeme and Anna for the update which he had found most useful.

There being no further questions the meeting was closed.

Dounreay Stakeholder Group
28th August 2011