
Enhanced Pre-Qualification Document for Tender Round 11 (TR11)

Appendix 3: Evaluation Criteria and Guidance Limitation Criteria, Part 4 of the EPQ Questionnaire

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Appendix 3 to the EPQ Document for TR11 published 14 February 2024.

Evaluation Criteria and Guidance: Limitation Criteria, Part 4 of the EPQ Questionnaire

Section 5: Approach to Asset Takeover

Grade:	D	- C +	- B +	- A +
Section 5 Evaluation Criteria:	<p>A Bidder must demonstrate that it has sufficiently good understanding of efficient and effective processes for taking over an offshore transmission system. The Bidder should include the principles that they would employ to ensure that asset takeover is achieved both smoothly and successfully within required timescales.</p> <p>A Bidder must also set out what they regard to be the key principles and approaches for how they would go about setting up an OFTO business. This should include a summary of any key challenges that a Bidder considers it might face in establishing an OFTO business and how these would be suitably managed to ensure successful asset takeover. Where relevant, a Bidder may draw on relevant experience to highlight their understanding of the principles they would adopt in taking over the transmission assets/setting up an OFTO business.</p> <p>Bidders will be evaluated on the basis of their degree of understanding of asset takeover and the viability of their approaches. The response to section 5 should be a maximum of 5 pages overall and has a total weighting of 15%.</p>			
Question	Evaluation guidance			
	D	- C +	- B +	- A +
[5A]	<p>Please outline the principles you would adopt and the approach you would follow (including your approach to technical due diligence) in taking over the following elements of an offshore transmission system:</p> <ul style="list-style-type: none"> i. onshore substation ii. offshore substation iii. onshore cable iv. subsea cable 			
	<p>Fails to demonstrate any understanding or only limited understanding of what is required to take over an offshore transmission system and viable approaches to the takeover of significant infrastructure assets generally.</p> <p>Major concerns identified which are fundamental to the response which undermine the response as a whole.</p>	<p>Principles and approach outlined for taking over the stated elements of an offshore transmission system demonstrate only a limited understanding of what would be appropriate given the nature of the business. There are a number of minor uncertainties, or one major uncertainty, which are/is considered to materially undermine deliverability and/or viability.</p>	<p>Principles and approach outlined for taking over the stated elements of an offshore transmission system demonstrates a satisfactory understanding of what would be appropriate given the nature of the business and a viable approach to the takeover of each of the four elements. Any uncertainty is considered to have little impact on deliverability and/or viability.</p>	<p>Principles and approach outlined for taking over the stated elements of an offshore transmission system demonstrates an excellent understanding of the nature of the business and a viable approach to the takeover of each of the four elements. Application of the principles is comprehensive and robust, and any uncertainty is considered to have no impact on deliverability.</p>
		<p>Limited detail provided on approach to taking over the elements may lack sufficient detail and significant issues or concerns with the response identified.</p>	<p>Approach to taking over the elements is satisfactorily detailed, but raises some minor concerns.</p>	<p>Approach to taking over the elements is very detailed, comprehensive and clear with no material concerns.</p>
		<p>Limited detail provided in relation to the actual application of the approach in respect of the four elements of the system, undermining the extent to which approach can be considered deliverable and/or viable.</p>	<p>Approach to applying certain elements is good but may lack detail.</p>	<p>Application of principles relating to all elements is deliverable and/or viable.</p>

<p>[5B]</p>	<p>Please outline the approach and principles you would follow when setting up an OFTO business. In particular, the in-house technical and financial expertise would you need to procure and what services you would need to subcontract.</p>	<p>Fails to outline a viable set of principles and approach to the set-up of an OFTO business.</p> <p>Major concerns identified which are fundamental to the response, which undermine the response as a whole.</p>	<p>Principles and approach outlined for setting up an OFTO business demonstrate only a limited understanding of the nature of the business. Application of the principles lacking key detail and consideration of the challenges is not generally included. No or limited use of experience to demonstrate capability. Response raises a number of minor concerns or one or more significant concerns in terms of viability of approach.</p>	<p>Principles and approach to setting up an OFTO business demonstrate a satisfactory understanding of the OFTO business including the potential challenges and how these could be effectively managed. Application of the principles is sufficiently detailed. Sufficient use of experience to demonstrate capability. Response raises some minor concerns in terms of viability of approach but these are considered unlikely to significantly impact upon the viability of the submission.</p>	<p>Principles and approach to setting up an OFTO business demonstrate an excellent understanding of the OFTO business including the potential challenges and how these could be effectively managed. Excellent application of principles to the set-up of an OFTO business. Application of the principles is deemed viable. Excellent use of experience to demonstrate capability. Any issues or concerns identified with the response are considered to be very minor or immaterial.</p>
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Section 6: Approach to Management and Operations

Grade:	D	- C +	- B +	- A +
Section 6 Evaluation Criteria:	<p>A Bidder must set out its understanding and approach to operating transmission assets, including how it would deliver fit for purpose services for an OFTO project, how this might change over the full revenue term period and how the Bidder would manage such changes. A Bidder must also identify the key business and operational risks and explain how it would manage and mitigate these. Where appropriate the Bidder's response should be evidenced by experience-based management approaches, including relevant experience from other sectors that reflect a similar operational and safety critical environment as OFTO assets.</p> <p>A Bidder must also set out how it would approach managing the key stakeholder interfaces which might be associated with an OFTO project, including identifying who the key stakeholders are and how any specific requirements would be managed.</p> <p>Bidders are required to explain their understanding of the electricity industry regulatory framework applicable to an OFTO and set out how they would approach compliance. Bidders should provide details of their past experience in applying principles of best practice and following industry codes and regulations for infrastructure projects.</p> <p>Bidders will be evaluated on the basis of their degree of understanding of operating transmission assets and the viability of their approaches. Any project examples provided should be based on projects in which the Bidder has been involved within the past five years.</p> <p>The response to section 6 should not exceed 18 pages.</p> <p>This section has a total weighting of 40%.</p>			
Question	Evaluation guidance			
	D	- C +	- B +	- A +
[6A] Please explain how you would approach operating transmission assets and delivering services for an OFTO project in accordance with the required operational performance standards, supported by examples from your experience of approaching the management and operation of transmission assets and/or other infrastructure assets where applicable. Your response should set out your approach for the full revenue period (of up to 25 years) including the process and factors you intend to take into account. In particular, you should comment on the following: i. Procurement of required O&M services;	Bidder fails to demonstrate an understanding of how it would approach operating transmission assets and delivering services for an OFTO project to the required operational performance standards e.g. SQSS, Grid code, BSEN, IEC and IET standards or guidance. Major concerns identified which are fundamental to the response, which undermine the response as a whole.	Bidder demonstrates basic understanding of how it would approach operating transmission assets and delivering services for an OFTO project to the required operational performance standards e.g. SQSS, Grid code, BSEN, IEC and IET standards or guidance. A basic explanation containing limited detail is provided as to how the Bidder would approach operation of transmission assets. Only basic detail and/or explanation is given around:	Bidder demonstrates a satisfactory understanding of how it would approach operating transmission assets and delivering services for an OFTO project to the required operational performance standards e.g. SQSS, Grid code, BSEN, IEC and IET standards or guidance. A good explanation containing a sufficient level of detail provided as to how the Bidder would approach operation of transmission assets. A sufficient level of detail and/or explanation is given around:	Bidder demonstrates excellent understanding of how it would approach operating transmission assets and delivering services for an OFTO project to the required operational performance standards e.g. SQSS, Grid code, BSEN, IEC and IET standards or guidance. An excellent explanation containing a comprehensive level of detail provided as to how the Bidder would approach operation of transmission assets. A comprehensive level of detail and/or explanation is given around:

	<ul style="list-style-type: none"> ii. Asset maintenance, repair and inspection iii. Spares management and procurement iv. Outage coordination and management strategy v. Network resilience and restoration vi. Efficient resourcing of activities 		<ul style="list-style-type: none"> i. operation and maintenance of the assets; and ii. obtaining and managing the necessary resources and contracts to deliver the transmission services required for an OFTO project. 	<ul style="list-style-type: none"> i. operation and maintenance of the assets; and ii. obtaining and managing the necessary resources and contracts to deliver the transmission services required for an OFTO project. 	<ul style="list-style-type: none"> i. operation and maintenance of the assets; and ii. obtaining and managing the necessary resources and contracts to deliver the transmission services required for an OFTO project.
			Response raises significant issues or concerns with regards to its completeness and demonstration of viability.	Response raises some issues or concerns but these are considered insignificant. A sufficient level of confidence is provided that a largely viable approach would be taken.	Response entirely satisfies requirements or any issues identified are considered to be immaterial. A high level of confidence is provided that a viable approach would be taken.
			No or few references to examples of the delivery of previous relevant experience, in this or a similar industry or sector, are provided.	Good examples of the delivery of previous relevant projects, in this or a similar industry or sector, are provided.	Excellent examples of the delivery of previous relevant projects, in this or a similar industry, are provided. The Bidder may have indicated how it would use best practice from these in respect of OFTO projects.
[6B]	<p>How you would manage and mitigate the impact of the key business and operational risks related to managing and operating an OFTO asset, supported by examples from your experience of approaching the management and operation of transmission assets and/or other infrastructure assets.</p> <p>Areas to cover:</p> <ul style="list-style-type: none"> i. Poor performance of the asset/asset condition ii. Speed of response on asset failure iii. Failure of supply chain member; iv. Events such as collision, extreme weather or fatality scenarios impacting O&M; and; v. Resources Bidder has/will obtain to cover these risks. <p>(Note: you are not required to detail here how you would approach dealing with the financial and/or commercial impact of key risks as this is addressed in Section 8 of the EPQ Questionnaire)</p>	<p>Bidder fails to demonstrate an understanding of the implications of the key business and operational risks in relation to managing and operating infrastructure.</p> <p>Major concerns identified which are fundamental to the response, which undermine the response as a whole.</p>	<p>Bidder demonstrates basic understanding of the key risks that would have a business and/or operational impact on managing and operating infrastructure.</p>	<p>Bidder demonstrates a satisfactory understanding of the key risks that would have a business and/or operational impact on managing and operating infrastructure.</p>	<p>Bidder demonstrates excellent understanding of the key risks that would have a business and/or operational impact on managing and operating infrastructure.</p>
			<p>Approach to managing the identified risks is basic and may lack detail. Significant issues or concerns with the response identified with respect to viability.</p> <p>No, few, or poor examples are provided of previous relevant experience of managing and mitigating key business or operational risks in this or a</p>	<p>Approach to managing some/most of the identified risks is sufficiently detailed and viable, but raises some minor concerns</p> <p>Good examples are provided of previous relevant experience of managing and mitigating key business or operational risks in this or a similar industry or sector that reflects a similar operational</p>	<p>Approach to managing the identified risks is comprehensive, clear and viable with no or only immaterial concerns identified.</p> <p>Excellent examples are provided of previous relevant experience of managing and mitigating key business or operational risks in this or a similar industry or sector that reflects a similar operational</p>

			similar industry or sector that reflects a similar operational and safety critical environment as the OFTO assets.	and safety critical environment as the OFTO assets.	and safety critical environment as the OFTO assets.
[6C]	How you would approach managing managerial and operational interfaces with key stakeholders and third parties for an OFTO project, referring to past experiences of your contract management capability.	Bidder fails to demonstrate an understanding of the management of managerial and operational interfaces with key stakeholders and third parties. Major concerns identified which are fundamental to the response, which undermine the response as a whole.	Bidder demonstrates limited understanding of the managerial and operational interface management.	Bidder demonstrates satisfactory understanding of the managerial and operational interface management.	Bidder demonstrates excellent understanding of the managerial and operational interface management.
			Proposed approach is not considered to be viable indicating that the Bidder may experience difficulties in managing interfaces with key stakeholders and third parties. Evidence in support of the Bidder's ability to achieve this is not provided.	Proposed approach is largely viable, indicating that the Bidder should be able to manage interfaces with key stakeholders and third parties without significant difficulty. Some past relevant experience has been demonstrated.	Proposed approach is viable and deliverable and indicates how the Bidder would successfully manage interfaces with key stakeholders and third parties. Detailed evidence of relevant past experience is provided in support.
			A basic level or no detail provided on plans for how the Bidder intends to engage with stakeholders and/or a major reservation is identified with regard to a particular aspect of the response.	A satisfactory level of detail provided on how the Bidder intends to engage with stakeholders. Any reservations are not likely to significantly impact on the overall deliverability of the approach.	An excellent level of detail provided on how the Bidder intends to engage with stakeholders. There are either no reservations or any that exist are considered immaterial and will not impact on the overall deliverability of the approach.
[6D]	Your understanding of the electricity industry regulatory framework applicable to an OFTO and how you would ensure compliance in operating and managing offshore transmission assets. You should refer to documents referenced under 'Relevant Guidance and Other Documents' in Chapter 1 of this EPQ Document in considering your response to this question.	Bidder fails to demonstrate through its approach how it will ensure compliance with electricity industry regulatory framework applicable to an OFTO. Major concerns identified which are fundamental to the response which undermine the response as a whole.	Bidder provides basic approach to ensuring compliance with electricity industry regulatory framework applicable to an OFTO.	Bidder provides a good approach to ensuring compliance with electricity industry regulatory framework applicable to an OFTO.	Bidder provides excellent approach to ensuring compliance with electricity industry regulatory framework applicable to an OFTO.
			Proposed approach provides limited confidence of the Bidder's understanding of, and ability to comply with, applicable codes and wider regulatory regime. Approach is provided in outline only without any supporting detail.	Proposed approach provides a good level of confidence of the Bidder's understanding of, and ability to comply with, applicable codes and the wider regulatory regime. Approach is considered largely viable in terms of achieving compliance but is deficient of some of the supporting detail linking all aspects.	Proposed approach (supported by detailed evidence) provides a high level of confidence of the Bidder's understanding of, and ability to comply with, applicable codes and the wider regulatory regime. Approach is described in detail and demonstrates a comprehensive understanding of the duties and responsibilities required.

			No or limited cross references made to the appropriate code and licence requirements.	A satisfactory level of cross referencing to the appropriate code and licence requirements is provided.	Comprehensive cross references to the relevant code and licence requirements are provided.
[6E]	<p>How your past experience with applying principles of best practice and following internal codes of conduct for infrastructure projects would help you ensure compliance when operating and managing a transmission system, in terms of:</p> <p>i. Applicable health and safety legislation in managing the key health and safety risks to your employees, subcontractors' employees, members of the public and with respect to the safety of the installations themselves; and</p> <p>ii. Applicable environmental and planning legislation.</p>	<p>Bidder fails to demonstrate through its approach how it will ensure compliance with health and safety as well as environmental and planning statutory requirements.</p> <p>Major concerns identified which are fundamental to the response which undermine the response as a whole.</p>	Limited detail provided, with only headline reference made to relevant health and safety legislation and demonstrating limited understanding of the Bidder's obligations and responsibilities for infrastructure projects and how these might apply to a transmission system.	A good level of detail is provided which makes reference to the relevant health and safety legislation, demonstrating the Bidder's understanding of obligations and responsibilities for infrastructure projects and how these might apply to a transmission system. This is supported by good examples of previous experience on similar projects.	Comprehensive response provided which makes reference to the relevant health and safety legislation demonstrating the Bidder's full understanding of obligations and responsibilities for infrastructure projects and how these might apply to a transmission system. This is supported by excellent examples of previous experience on similar projects.
			No HS&E control process/procedure documents, that the Bidder proposes are applicable, are identified.	Detailed HS&E control process/procedure documents, that the Bidder proposes are applicable, are identified.	Comprehensive HS&E control process/procedure documents, that the Bidder proposes are applicable, are identified and provided.
			Basic understanding of key health and safety risks demonstrated and explanation of how these would be managed.	Good understanding of key health and safety risks demonstrated and explanation of how these would be managed.	Excellent understanding of key health and safety risks demonstrated and a clear explanation of how these would be managed.
			Basic reference to applicable environmental and planning legislation and limited detail provided as to how the activities will be delivered in accordance with this legislation.	Good understanding of applicable environmental and planning legislation and good level of detail provided as to how the activities will be delivered in accordance with this legislation.	Excellent understanding of applicable environmental and planning legislation and comprehensive level of detail provided as to how the activities will be delivered in accordance with this legislation.

Section 7: Funding Solution

Grade:		D	- C +	- B +	- A +
Section 7 Evaluation Criteria:		<p>A Bidder must outline its approach for determining a funding solution that would be appropriate for the Qualifying Project, including why it considers the solution to be suitable for the Qualifying Project. A Bidder must also explain what alternative approaches have been considered and provide details of how it would identify and evaluate alternative financing solutions to ensure that the approach remains competitive throughout the Tender Exercise. The Bidder will be evaluated on the basis of the viability of the expected funding strategy or strategies.</p> <p>The response to section 7 should not exceed 10 pages. This section has a total weighting of 25%.</p>			
Question		Evaluation guidance			
		D	- C +	- B +	- A +
[7]	<p>Please explain how you would go about determining an efficient and effective funding solution for the Qualifying Project, including:</p> <p>(1) What you currently consider to be a suitable financing structure for the Qualifying Project (including what type of finance you currently anticipate using) and what considerations and criteria you have taken into account in determining the financing solution;</p>	<p>Bidder has not selected their preferred financing solution for the Qualifying Project.</p> <p>AND</p> <p>Bidder has failed to set out the considerations and criteria to be used in determining their appropriate financing solution/solutions, or has set out unsuitable / incomplete criteria.</p> <p>OR</p> <p>No or very poor rationale/application of criteria for choosing the selected structure(s) which causes significant concerns over the viability and deliverability of the selected approach/approaches.</p> <p>OR</p> <p>Bidder has not considered their approach to engaging with financiers or a suitable timetable for their plan(s).</p>	<p>Bidder has provided a limited description of suitable financing structure(s) which fails to provide detail on fundamental aspects of the structure or raises concerns about the viability of the proposed approach.</p> <p>Bidder has provided an outline of considerations and criteria to be used in determining the appropriate financing solution for the Qualifying Project, including a description and explanation as to why the solution is appropriate, however the considerations stipulated are not considered to be particularly relevant in the context of the Qualifying Project.</p> <p>There is a poor rationale/application of criteria for selecting a financing structure for the Qualifying Project.</p> <p>Bidder provides limited explanation regarding their approach to engaging with</p>	<p>Bidder has provided a good description of the suitable financing structure (corporate finance, project finance, etc.) for the Qualifying Project including detail regarding – inter alia:</p> <ul style="list-style-type: none"> i. Anticipated sources (commercial bank debt, public bond, private placement, cash reserves, corporate facilities etc.). ii. Approximate gearing levels/coverage ratios. iii. Other debt covenants or restrictions applicable to financing structure. iv. Key conditions attached to drawing corporate finance v. Target credit rating requirements. vi. Letters of support consistent with the preferred financing structure for a Qualifying Project. vii. A description of any reserve accounts/facilities. <p>Bidder has provided a clear outline of considerations and criteria to be used in determining the appropriate</p>	<p>Bidder has provided an excellent description of the suitable financing structure (corporate finance, project finance, etc.) for the Qualifying Project with significant detail regarding – inter alia:</p> <ul style="list-style-type: none"> i. Anticipated sources (commercial bank debt, public bond, private placement, cash reserves, corporate facilities etc.). ii. Approximate gearing levels/coverage ratios. iii. Other debt covenants or restrictions applicable to financing structure. iv. Key conditions attached to drawing corporate finance. v. Target credit rating requirements. vi. Letters of support / indicative terms for corporate finance, project finance debt and/or equity approval processes and/or timescales. vii. A description of any reserve accounts/facilities. <p>Bidder has provided a detailed explanation of considerations and criteria to be used in determining the appropriate financing solution for the Qualifying Project, including a description and explanation as to why each is appropriate.</p>

Section 7: Funding Solution

Grade:	D	- C +	- B +	- A +
Section 7 Evaluation Criteria:	<p>A Bidder must outline its approach for determining a funding solution that would be appropriate for the Qualifying Project, including why it considers the solution to be suitable for the Qualifying Project. A Bidder must also explain what alternative approaches have been considered and provide details of how it would identify and evaluate alternative financing solutions to ensure that the approach remains competitive throughout the Tender Exercise. The Bidder will be evaluated on the basis of the viability of the expected funding strategy or strategies.</p> <p>The response to section 7 should not exceed 10 pages. This section has a total weighting of 25%.</p>			
Question	Evaluation guidance			
		financiers and/or the timetable for their plan is unsuitable.	<p>financing solution(s), including a description and explanation as to why the solution is appropriate for the Qualifying Project, however detail is lacking in some instances.</p> <p>There is a good rationale/application of criteria for selecting the structure for the Qualifying Project, however the response may lack some detail.</p> <p>Bidder has provided a good explanation of their approach for engaging with financiers, including a brief timetable against bid development plan although there are some elements still to be fully developed.</p>	<p>There is a strong rationale/application of criteria for selecting this structure for the Qualifying Project, with clear evidence as to how the Bidder has reached this conclusion in the context of the Qualifying Project.</p> <p>Bidder has provided a detailed explanation of their approach for engaging with financiers, including a detailed timetable against bid development plan.</p>
(2) What alternative types of finance you would propose, and the circumstances under which you would consider these further;	<p>Bidder has not provided details of any alternative financing solutions that have been considered.</p> <p>AND</p> <p>Bidder has failed to provide detail on the circumstances under which an alternative structure would be considered further.</p>	<p>Bidder has provided a poor description of one or more alternative financing solution(s).</p> <p>Bidder has compared the alternative structure(s) against proposed structure and criteria identified in 7A(1) but their response for each such alternative(s) lacks detail.</p> <p>Bidder response lacks detail on the circumstances under which each alternative structure would</p>	<p>Bidder has provided a substantive description of at least one alternative financing solution for the Qualifying Project which outlines some of the details described in the first bullet of [7A](1) above.</p> <p>Bidder has compared the alternative structure(s) against proposed structure and criteria identified in [7A](1).</p> <p>Bidder has provided a brief outline of the circumstances under which</p>	<p>Bidder has provided a comprehensive description of at least one alternative solution for the Qualifying Project which outlines all of the details outlined in the first bullet of [7A](1) above.</p> <p>Bidder has compared the alternative structure(s) against proposed structure and criteria identified in [7A](1).</p> <p>Bidder has provided a clear explanation of the circumstances under which each alternative structure would be considered further.</p>

Section 7: Funding Solution

Grade:	D	- C +	- B +	- A +
Section 7 Evaluation Criteria:	<p>A Bidder must outline its approach for determining a funding solution that would be appropriate for the Qualifying Project, including why it considers the solution to be suitable for the Qualifying Project. A Bidder must also explain what alternative approaches have been considered and provide details of how it would identify and evaluate alternative financing solutions to ensure that the approach remains competitive throughout the Tender Exercise. The Bidder will be evaluated on the basis of the viability of the expected funding strategy or strategies.</p> <p>The response to section 7 should not exceed 10 pages. This section has a total weighting of 25%.</p>			
Question	Evaluation guidance			
		<p>be considered further.</p> <p>Bidder does not demonstrate the ability to implement an alternative solution or an understanding of the issues related thereto.</p>	<p>each alternative structure would be considered further.</p> <p>There are some minor concerns over the Bidder's ability to implement their alternative solution(s), should the need arise.</p>	<p>Bidder instils confidence that they have the flexibility to implement their alternative solution(s), should the need arise. Bidder has experience closing more than one financing solution.</p>
(3) What external financing/OFTO specific market factors have influenced your anticipated financing solution(s), and what further factors you would take into account when proposing a funding solution at the ITT stage;	<p>Bidder has not considered any relevant external factors when selecting their proposed financing structure(s).</p> <p>AND</p> <p>Bidder has not considered how the effect of the external factors can be mitigated.</p>	<p>Bidder has provided a basic list of some external market factors taken into consideration when selecting their proposed financial structure(s), including how these factors were reflected in their solution choice and how these factors will be considered during the development of ITT submissions, however the majority of key external market factors have been omitted.</p> <p>Bidder has not considered how the effect of the external factors can be mitigated, or the proposed mitigants are not considered to be robust/viable.</p>	<p>Bidder has provided a substantive list of some external market factors taken into consideration when selecting their proposed financial structure(s), including how these factors were reflected in their solution choice and how these factors will be considered during the development of ITT submissions, however some key external market factors have been omitted.</p> <p>Bidder has considered how the effects of only some external factors, or the proposed mitigants are not considered to be robust/Bidder has outlined some potential mitigants for these external factors but their response lacks detail.</p>	<p>Bidder has provided a comprehensive list of external market factors (including OFTO performance) taken into consideration when selecting their proposed financial structure(s), including how these factors were reflected in their solution choice and how these factors will be considered during the development of ITT submissions.</p> <p>Bidder has clearly considered how they will mitigate the effect of a comprehensive set of external factors, (where possible) and these mitigants are considered to be robust/viable.</p>
(4) The approach you would take to due diligence in	Bidder's response does not demonstrate an understanding of	Bidder has provided a basic outline of the due diligence	Bidder has provided an outline of the due diligence process for an	Bidder has provided a comprehensive description of the full due diligence process

Section 7: Funding Solution

Grade:	D	- C +	- B +	- A +
Section 7 Evaluation Criteria:	<p>A Bidder must outline its approach for determining a funding solution that would be appropriate for the Qualifying Project, including why it considers the solution to be suitable for the Qualifying Project. A Bidder must also explain what alternative approaches have been considered and provide details of how it would identify and evaluate alternative financing solutions to ensure that the approach remains competitive throughout the Tender Exercise. The Bidder will be evaluated on the basis of the viability of the expected funding strategy or strategies.</p> <p>The response to section 7 should not exceed 10 pages. This section has a total weighting of 25%.</p>			
Question	Evaluation guidance			
<p>relation to your financing solution(s);</p>	<p>the due diligence process required for an OFTO project.</p> <p>Where corporate finance is used, Bidder has not addressed the demonstration of financial robustness.</p>	<p>process for an OFTO project, however there is limited confidence that the Bidder has understood the process required.</p> <p>Bidder has failed to consider the majority of the key inputs required to progress the due diligence process and dependencies in the due diligence process.</p> <p>Bidder has failed to engage or demonstrate a satisfactory plan to engage in discussions with third parties responsible for due diligence.</p> <p>Where corporate finance is used, Bidder has provided a poor explanation of how the financial robustness of the project will be tested, demonstrated and maintained in the absence of third party lender due diligence. Reference to the creditworthiness of the group now and in the future is not made or unclear.</p>	<p>OFTO project, including steps already undertaken and those to be completed.</p> <p>Bidder has clearly considered some of the key inputs required to progress the due diligence process and dependencies in the due diligence process, however some key inputs and dependencies have been omitted or the response lacks detail.</p> <p>Bidder has engaged or demonstrates a satisfactory plan to engage in discussions with third parties responsible for key due diligence areas (e.g. technical) but discussions are relatively unprogressed. Bidder has identified potential providers for other due diligence areas (e.g. model audit).</p> <p>Where corporate finance is used, Bidder has provided some explanation of how the financial robustness of the project will be tested, demonstrated and maintained in the absence of third party lender due diligence, with some reference to the creditworthiness of the group now and/or in the future.</p>	<p>for an OFTO project, including steps already undertaken and those to be completed and an anticipated timetable for completion of due diligence process.</p> <p>Bidder has clearly considered the key inputs required to progress the due diligence process and dependencies in the due diligence process.</p> <p>Bidder has engaged in discussions with third parties responsible for most due diligence areas (including consideration of plan to achieve any required credit ratings) and identified these parties where appropriate / had detailed fee & scoping discussions / appointed advisors.</p> <p>Where corporate finance is used, Bidder has provided a clear and comprehensive explanation of how the financial robustness of the project will be tested, demonstrated and maintained in the absence of third party lender due diligence, with reference to the creditworthiness of the group now and in the future.</p>

Section 7: Funding Solution

Grade:	D	- C +	- B +	- A +
Section 7 Evaluation Criteria:	<p>A Bidder must outline its approach for determining a funding solution that would be appropriate for the Qualifying Project, including why it considers the solution to be suitable for the Qualifying Project. A Bidder must also explain what alternative approaches have been considered and provide details of how it would identify and evaluate alternative financing solutions to ensure that the approach remains competitive throughout the Tender Exercise. The Bidder will be evaluated on the basis of the viability of the expected funding strategy or strategies.</p> <p>The response to section 7 should not exceed 10 pages. This section has a total weighting of 25%.</p>			
Question	Evaluation guidance			
<p>(5) Your understanding and sources of the key assumptions which affect your anticipated financing solutions. Areas to cover: i. Indexation approach; and ii. Other Income Items.</p>	<p>Bidder demonstrates no or incoherent understanding of the implications of the key assumptions.</p> <p>The source of each assumption is unclear.</p> <p>Bidder has clearly not considered the suitability of their assumptions in light of their preferred financing solution(s).</p>	<p>Bidder demonstrates a limited understanding of the implications of the key assumptions.</p> <p>The source of most assumptions is unclear.</p> <p>Bidder has provided limited consideration of the suitability of their assumptions in light of their preferred financing solution(s).</p>	<p>Bidder has provided an outline of their understanding of the implications of the key assumptions.</p> <p>The source of some, but not all, of the assumptions has been clearly identified.</p> <p>Bidder has considered the suitability of their assumptions in light of their preferred financing solution(s).</p>	<p>Bidder has provided a detailed outline of their understanding of the implications of the key assumptions.</p> <p>The source of each assumption has been clearly identified and is supported by a strong rationale.</p> <p>Bidder has clearly considered the suitability of their assumptions in light of their preferred financing solution(s).</p>

Section 8: Financial and Commercial Risk Management

Grade:		D	- C +	- B +	- A +
Section 8 Evaluation Criteria:		<p>A Bidder must demonstrate an understanding of the key risks that could have a financial and/or commercial implication for the operation of offshore electricity transmission assets and how it might respond appropriately to them. Bidders will be evaluated on their understanding of these risks, and set out in broad terms their approach to managing and mitigating such risks. It is important the Bidder illustrates their experience in this area with infrastructure assets they own but they do not have to be offshore transmission assets.</p> <p>The response to section 8 should not exceed 6 pages. This section has a total weighting of 20%.</p>			
Question		Evaluation guidance			
		D	- C +	- B +	- A +
[8]	<p>Please set out your understanding of the key risks in managing and operating an OFTO asset and how you will look to formulate your approach to managing and mitigating the financial and commercial impacts of such risk.</p> <p>Areas to cover:</p> <ul style="list-style-type: none"> i) Poor performance of the asset/ asset condition ii) Speed of response on asset failure iii) Use of insurance and other approaches to mitigate risk iv) Resources bidder has/ will obtain to cover these risks and how they will manage any contracting relationships <p>It is important you illustrate your experience in this area with infrastructure assets you manage and operate, but they do not have to be offshore transmission assets. The approach should include whether you intend to have the requisite skills in house or contracted and if not yet in the group, what you intend to obtain by the time you submit an ITT bid.</p>	<p>Bidder demonstrates no or incoherent understanding of the implications of the key financial and commercial risks in relation to electricity transmission assets.</p> <p>Major concerns identified with the overall approach proposed to managing the commercial and /or financial impact of the risks outlined, nor has a plan been proposed for how to obtain the expertise needed to do so.</p> <p>The response suggests the Bidder has a limited understanding of the risks specific to transmission assets that undermines the response as a whole.</p>	<p>Bidder demonstrates basic understanding of the key risks that would have a financial and/or commercial impact to electricity transmission assets.</p> <p>Approach to managing key risks may be deliverable in parts but significant issues or concerns with the overall approach response identified.</p> <p>Limited detail provided in relation to the use of insurance and/or significant concerns how it fits with their suggested overall approach. Limited detail on their relevant expertise or how it will be acquired by the time the Bidder submits its ITT bid.</p> <p>Few or poor relevant examples of the Bidder's experience provided to demonstrate a basic understanding of the risks.</p>	<p>Bidder demonstrates good understanding of the key risks that would have a financial and/or commercial impact to electricity transmission assets.</p> <p>Approach to managing key risks is considered to be largely deliverable but may have some gaps. Any material gaps are covered off by the bidder setting out an approach on how these issues would be tackled by the time the Bidder submits its ITT bid.</p> <p>Approach to use of insurance as part of overall approach to risk is considered good with some minor concerns but these are considered unlikely to materially impact upon the likely approach to deliverability. Clear approach to how the bidder will look to obtain satisfactory skills to manage these risks by the time the Bidder submits its ITT bid.</p> <p>Good examples of relevant experience from the Bidders' own experience provided to demonstrate a good understanding of these types of risk.</p>	<p>Bidder demonstrates excellent understanding of the key risks that would have a financial and/or commercial impact to electricity transmission assets.</p> <p>Approach to managing key risks is detailed, clear and coherent.</p> <p>Approach to use of insurance as part of an overall approach to managing risk is considered excellent. Any concerns identified are considered to be immaterial. Relevant skills to manage these risks in the Bidder group/ supply chain demonstrated already as existing.</p> <p>Excellent examples of relevant experience from the Bidder's own experience to demonstrate an excellent understanding of these types of risks.</p>

