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Planning

The budget value is commercially sensitive.

Department for Business, Energy & Industrial Strategy

F01: Prior information notice

Prior information only

Notice identifier: 2022/S 000-023086

Procurement identifier (OCID): ocds-h6vhtk-036040

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Section I: Contracting authority

I.1) Name and addresses

Department for Business, Energy & Industrial Strategy

London

Email

mercedes.ekanem@beis.gov.uk

Country

United Kingdom

NUTS code

UK - United Kingdom

Internet address(es)

Main address

<https://www.gov.uk/government/organisations/department-for-business-energy-and-industrial-strategy>

I.3) Communication

Additional information can be obtained from the above-mentioned address

I.4) Type of the contracting authority

Ministry or any other national or federal authority

I.5) Main activity

General public services

Section II: Object

II.1) Scope of the procurement

II.1.1) Title

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II.1.2) Main CPV code

- 79000000 - Business services: law, marketing, consulting, recruitment, printing and security

II.1.3) Type of contract

Services

II.1.4) Short description

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II.1.6) Information about lots

This contract is divided into lots: No

II.2) Description

II.2.2) Additional CPV code(s)

- 79000000 - Business services: law, marketing, consulting, recruitment, printing and security

II.2.3) Place of performance

NUTS codes

- UK - United Kingdom

II.2.4) Description of the procurement

As part of the work to deliver net zero, BEIS is running a project to consider the future of system operation and wider governance in the energy sector. This includes creating a publicly-owned Independent System Operator and Planner (“ISOP”) from a combination of the Electricity System Operator (“ESO”), currently owned by National Grid plc, and the planning functions from the Gas System Operator (“GSO”), which are part of National Grid Gas currently owned by National Grid plc and in the process of being sold to a consortium of Macquarie Group Ltd and British Columbia Investment Management Corporation.

BEIS set out this position in its response to a 2021 consultation (<https://www.gov.uk/government/consultations/proposals-for-a-future-system-operator-role>) and has introduced the Energy Bill (<https://bills.parliament.uk/bills/3311>) on 6 July 2022 to give the Government the power to enact these proposals. The Energy Bill will enable the transactions into Government ownership of the ESO and the planning functions of the GSO, as well as establish the ISOP. The transactions will be a key part of a complex project that will also include setting up governance for an HMG arm’s length body, an update of the energy codes and Ofgem updating the relevant licences to reflect the ISOP.

BEIS is looking to procure corporate finance advisors to support the Department with the transfer of the ESO and gas functions into public ownership. The scope of work will include requirements regarding valuation, deal structuring, negotiations, transaction documentation and support for the Department in preparing internal decision-making papers.

This is a great opportunity to support the delivery of a project with an important social value and we look forward to hearing from you to discuss further.

II.2.14) Additional information

Evaluation criteria for the tender is being finalised, but is expected to require bidders to demonstrate relevant examples of experience working in regulated infrastructure M&A, advising clients on regulatory finance issues and working with Government on large and complex projects. It is expected to also ask bidders to demonstrate any relevant expertise of the energy sector.

II.3) Estimated date of publication of contract notice

10 October 2022

Section IV. Procedure

IV.1) Description

IV.1.8) Information about the Government Procurement Agreement (GPA)

The procurement is covered by the Government Procurement Agreement: Yes

Section VI. Complementary information

VI.3) Additional information

It is the expectation is that this contract will run until the transaction is completed, which will take place after Royal Assent of the Energy Bill. At this stage, Royal Assent is expected within the third parliamentary session during Spring/Summer 2023

BEIS will require all tenderers to declare any potential conflict of interest when submitting their bid. In particular, tenderers should make it clear if they have, or intend to take up, any other roles in connection with any part of National Grid Plc, Macquarie Group Ltd, British Columbia Investment Management Corporation and/or their group companies. BEIS may at its sole discretion exclude tenders where there is a conflict of interest which cannot be resolved to the satisfaction of BEIS. A conflict of interest will not necessarily mean the individual or tenderer cannot work on this project; but it is vital that any interest or conflict is declared so it can be considered openly.

An online market engagement session to provide further information will be taking place in September 2022. To register for this, please send your contact details to:

Mercedes.Ekanem@beis.gov.uk.