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Contract

Communication & Instrumentation Panel Service Provider("CIPSP") Contract

Interconnector Services Limited (part of the Mutual Energy Group)

F20: Modification notice

Notice identifier: 2024/S 000-028158

Procurement identifier (OCID): ocds-h6vhtk-0497c5

Published 3 September 2024, 2:52pm

Section I: Contracting authority/entity

I.1) Name and addresses

Interconnector Services Limited (part of the Mutual Energy Group)

85 Ormeau Road

BELFAST

BT71SH

Contact

Hannah Keery

Email

Hannah.Keery@mutual-energy.com

Telephone

+44 2890437508

Country

United Kingdom

Region code

UKN06 - Belfast

Companies House

NI058161

Internet address(es)

Main address

<https://www.mutual-energy.com/>

Section II: Object

II.1) Scope of the procurement

II.1.1) Title

Communication & Instrumentation Panel Service Provider("CIPSP") Contract

II.1.2) Main CPV code

- 76100000 - Professional services for the gas industry

II.1.3) Type of contract

Services

II.2) Description

II.2.1) Title

Communication & Instrumentation Panel Service Provider("CIPSP") Contract

II.2.3) Place of performance

NUTS codes

- UKN - Northern Ireland

Main site or place of performance

Belfast, Northern Ireland

II.2.4) Description of the procurement at the time of conclusion of the contract:

In 2017, after a competitive tender, Interconnector Services Limited ("ISL") entered into a contract for a Communication & Instrumentation Panel Service Provider ("CIPSP") with Cetix Limited ("Cetix") for an initial mobilisation period of 1 year, followed by a term of 6 years and 3 months, with an option to extend by a maximum of two years. ISL exercised that option and the CIPSP contract is now due to expire on 31st March 2026.

The Contract was procured competitively and in accordance with the Utilities Contracts Regulations 2016.

The procedure followed for this procurement process was the Negotiated Procedure with prior call for competition. ISL emphasised that under Regulation 47 Economic Operators should submit a compliant bid in accordance with the Invitation to Negotiate documentation. On completion of the assessment of the ITN ISL confirmed, without reference to the Economic Operators, that they did not wish to avail of the option to negotiate.

The Communications & Instrumentation Panel (CIP) forms part of a wider system that provides for continuous monitoring and operation of the Premier Transmission Pipeline System (PTPS). The CIPSP is required to provide Inspection, Maintenance, Response and Management Services associated with maintaining the Instrumentation and Control Panels. The CIPSP is also required to design and implement the change control process in association with the Maintenance and Emergency Response Contractor (MERC).

II.2.7) Duration of the contract, framework agreement, dynamic purchasing system or concession

Duration in months

111

Section IV. Procedure

IV.2) Administrative information

IV.2.1) Contract award notice concerning this contract

Notice number: [2017/S 046-084896](#)

Section V. Award of contract/concession

Contract No

1

V.2) Award of contract/concession

V.2.1) Date of conclusion of the contract/concession award decision:

20 July 2017

V.2.2) Information about tenders

The contract/concession has been awarded to a group of economic operators: No

V.2.3) Name and address of the contractor/concessionaire

Cetix Limited

Rotherham

Country

United Kingdom

NUTS code

- UK - United Kingdom

Companies House

02184213

The contractor/concessionaire is an SME

No

V.2.4) Information on value of the contract/lot/concession (at the time of conclusion of the contract;excluding VAT)

Total value of the procurement: £918,279

Section VI. Complementary information

VI.4) Procedures for review

VI.4.1) Review body

High Court of Northern Ireland

Belfast

Country

United Kingdom

Section VII: Modifications to the contract/concession

VII.1) Description of the procurement after the modifications

VII.1.1) Main CPV code

- 76100000 - Professional services for the gas industry

VII.1.3) Place of performance

NUTS code

- UKN - Northern Ireland

Main site or place of performance

Northern Ireland

VII.1.4) Description of the procurement:

In 2017, after a competitive tender, Interconnector Services Limited ("ISL") entered into a contract for a Communication & Instrumentation Panel Service Provider ("CIPSP") with Cetix Limited ("Cetix") for an initial mobilisation period of 1 year, followed by a term of 6 years and 3 months, with an option to extend by a maximum of two years. ISL exercised that option and the CIPSP contract is now due to expire on 31st March 2026.

We have a current requirement to upgrade the metering systems on a number of gas sites which will be a complex and substantial piece of work that the CIPSP provider is best placed to deliver. A number of technical and regulatory drivers are now expediting the requirement to deliver these upgrade works.

Whilst the CIPSP contract covers metering flow computers and Chromatograph services, and because the metering upgrades have been expedited, a meter system change out was not envisaged at the time of the original tender, so is not explicitly mentioned in the contract services. It is anticipated that all replacement works would be completed by September 2027 at the latest.

For this reason we are varying the current contract in order for the required work to be carried out and completed. We believe that the variation benefits from the exemption in Reg. 88(1)(b) UCR and a VEAT notice was published to this effect on 1st August 2024.

VII.1.5) Duration of the contract, framework agreement, dynamic purchasing system or concession

Duration in months

18

VII.1.6) Information on value of the contract/lot/concession (excluding VAT)

Total value of the contract/lot/concession:

£2,300,000

VII.1.7) Name and address of the contractor/concessionaire

Cetix Limited

Rotherham

Country

United Kingdom

NUTS code

- UK - United Kingdom

Companies House

02184213

The contractor/concessionaire is an SME

No

VII.2) Information about modifications

VII.2.1) Description of the modifications

Nature and extent of the modifications (with indication of possible earlier changes to the contract):

The meter system upgrade project which has become necessary will involve Cetix (as CIPSP provider) leading the design and change control elements of the project. This is a material piece of work that will involve the replacement of site flow computers, metering elements and associated instruments such as to allow the sites to attain the required level of metering uncertainty across the operational envelope.

The work requires a variation to the original contract in terms of the scope, as well as a variation in relation to the initial contract term to ensure that the metering upgrade works are complete in advance of any new CIPSP contract commencing. The extension to the duration will be until September 2027 .

ISL considers that the variation to the current contract benefits from the exemption outlined in Regulation 88(1)(b) of the Utilities Contracts Regulations. This exemption allows for the non-competitive procurement of additional services that have become necessary, where a change of contractor cannot be made for economic or technical reasons and where such a change would cause significant inconvenience or duplication of costs.

ISL believes the exemption applies here because the incumbent CIPSP has developed intimate knowledge of the logic within the flow computers, chromatograph and PLC's. The Flow computers and chromatograph are being changed as part of this project, and for the new equipment to interface to the existing PLC's, the PLC's will need substantial modifications also. To introduce a third party to replace and work on equipment that is expressly within the responsibility of the CIPSP, would create interface management risks. The incumbent CIPSP is therefore considered the most efficient and lowest risk party to deliver and warrant the design and interface modifications.

It should also be noted that a significant part (£1.7m of the £2.3m) of the additional value of the variation will be competitively tendered, allowing potential relevant providers to bid in for this element of the work.

VII.2.2) Reasons for modification

Need for additional works, services or supplies by the original contractor/concessionaire.

Description of the economic or technical reasons and the inconvenience or duplication of cost preventing a change of contractor:

ISL considers that the variation to the current contract benefits from the exemption

outlined in Regulation 88(1)(b) of the Utilities Contracts Regulations. This exemption allows for the non-competitive procurement of additional services that have become necessary, where a change of contractor cannot be made for economic or technical reasons and where such a change would cause significant inconvenience or duplication of costs.

ISL believes the exemption applies here because the incumbent CIPSP has developed intimate knowledge of the logic within the flow computers, chromatograph and PLC's. The Flow computers and chromatograph are being changed as part of this project, and for the new equipment to interface to the existing PLC's, the PLC's will need substantial modifications also. To introduce a third party to replace and work on equipment that is expressly within the responsibility of the CIPSP, would create interface management risks. The incumbent CIPSP is therefore considered the most efficient and lowest risk party to deliver and warrant the design and interface modifications.

It should also be noted that a significant part (£1.7m of the £2.3m) of the additional value of the variation will be competitively tendered, allowing potential relevant providers to bid in for this element of the work.

VII.2.3) Increase in price

Updated total contract value before the modifications (taking into account possible earlier contract modifications, price adaptations and average inflation)

Value excluding VAT: £1,265,000

Total contract value after the modifications

Value excluding VAT: £3,565,000