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Tender

Audit of the Data Communications Company (DCC)

Ofgem

F02: Contract notice

Notice identifier: 2024/S 000-038223

Procurement identifier (OCID): ocds-h6vhtk-046cf7

Published 26 November 2024, 4:29pm

Section I: Contracting authority

I.1) Name and addresses

Ofgem

10 South Colonnade, Canary Wharf

London

E14 4PU

Email

procurement2@ofgem.gov.uk

Telephone

+44 2079017000

Country

United Kingdom

NUTS code

UKI - London

Internet address(es)

Main address

<http://www.ofgem.gov.uk>

Buyer's address

https://www.mytenders.co.uk/search/Search_AuthProfile.aspx?ID=AA10021

I.2) Information about joint procurement

The contract is awarded by a central purchasing body

I.3) Communication

The procurement documents are available for unrestricted and full direct access, free of charge, at

www.mytenders.co.uk

Additional information can be obtained from the above-mentioned address

Tenders or requests to participate must be submitted electronically via

www.mytenders.co.uk

Tenders or requests to participate must be submitted to the above-mentioned address

I.4) Type of the contracting authority

Body governed by public law

I.5) Main activity

General public services

Section II: Object

II.1) Scope of the procurement

II.1.1) Title

Audit of the Data Communications Company (DCC)

Reference number

2024-082

II.1.2) Main CPV code

- 79212000 - Auditing services

II.1.3) Type of contract

Services

II.1.4) Short description

Under the Operational Performance Regime (OPR) contract management incentive, the auditor assesses the DCC's management of its contracts. The auditor is tasked with using the scope listed in the most up to date version OPR Guidance document to assess DCC's contract management performance against the National Auditing Office (NAO) Framework.

Main tasks:

*Assessment of DCC's commercial activity over the course of the Regulatory Year.

*The auditor will provide a score of DCC's performance using the NAO Framework. Ofgem will use these scores to determine the final score to be awarded to DCC.

The audit will run on an annual basis and have four main stages:

*Evaluation stage – This will run for around six weeks where the auditor will carry out an assessment of DCC's commercial activity in the Regulatory Year. The auditor will provide DCC with an interim report which will contain a score and rationale against each supporting question against the NAO Framework.

*Reporting - The auditor will provide a draft report to the Authority which will include DCC's level of attainment against the NAO Framework. The Authority may ask for iteration of the

report before the final version is produced and shared with us.

*Consultation stage – The Authority will publish a summary of report findings and consult on this – no further action is required from the Consultant at this stage.

*Decision – The Authority will consider the responses from stakeholders on the consultation and determine DCC's retained margin. We may ask the Consultants for further clarification around the scores during this stage.

II.1.5) Estimated total value

Value excluding VAT: £360,000

II.1.6) Information about lots

This contract is divided into lots: No

II.2) Description

II.2.2) Additional CPV code(s)

- 79212000 - Auditing services
- 79212200 - Internal audit services
- 79212300 - Statutory audit services
- 79210000 - Accounting and auditing services
- 79418000 - Procurement consultancy services

II.2.3) Place of performance

NUTS codes

- UK - United Kingdom

II.2.4) Description of the procurement

The DCC is the central communications body licensed to provide the communications, data transfer and management required to support smart metering. DCC was appointed using an outsourced service model, to manage contracted smart metering service providers. As such, external costs compose the largest proportion of DCC's costs, and it is critical that these

contracts are entered into, managed and closed out effectively and efficiently. Each year, the Authority scrutinises DCC's incurred and forecast costs through the annual Price Control process to determine whether these costs are economic and efficient. Alongside the cost assessment, DCC also faces financial incentives under the Operational Performance Regime (OPR).

Given the Authority's and industry's concerns around DCC's contract management and procurement processes, the Authority consulted on whether it would be appropriate to financially incentivise DCC's contract management and procurement as part of the revised OPR regime in May 2020. Stakeholders responded largely in favour of the Authority's proposals, and in October 2020 the Authority published its decision to implement a Contract Management Incentive. This incentive aims to improve DCC's performance in contract management and procurement to drive efficiencies on DCC's external costs, and ultimately savings for DCC's customers. It is intended to operate as an annual independent audit of DCC's contract and commercial management and procurement activities, using the assessment criteria and scoring framework as set out in the National Audit Office (NAO) framework.

The audit will run on an annual cycle alongside the Authority's annual price control process and is expected to have four main stages: evaluation, reporting, consultation and decision. The evaluation stage is expected to take six weeks, with the successful tenderer producing an interim report for DCC to provide comment. In this stage, the successful tenderer will need to assess DCC's commercial activity over the course of a Regulatory Year to provide a score and rationale against each supporting question against the NAO Framework, covering contract management, procurement and re-procurement. For more details on the scope and timelines refer to Annex A.

In the reporting stage the successful tenderer will produce a draft report to the Authority. This report will include the successful tenderer's assessment of the level of attainment DCC has reached for each supporting question under the NAO Framework with a clear rationale for each score. The Authority will review the report and may require further iteration after which the final report will be produced. In the consultation stage, the Authority will publish a summary of the report findings no action from the successful tenderer will be required at this stage.

In the decision stage, the Authority will consider responses from stakeholders on the consultation and determine DCC's retained margin under the Contract Management Incentive. The Authority may ask the successful tenderer for further clarification around the scores during this stage.

Further information on the requirement can be found within the specification attachment in Annex A within the 2024-082 ITT document.

II.2.5) Award criteria

Quality criterion - Name: Technical / Weighting: 70

Quality criterion - Name: Commercial / Weighting: 30

Price - Weighting: 30

II.2.6) Estimated value

Value excluding VAT: £360,000

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

Start date

1 April 2025

End date

31 March 2028

This contract is subject to renewal

No

II.2.10) Information about variants

Variants will be accepted: No

II.2.11) Information about options

Options: No

II.2.13) Information about European Union Funds

The procurement is related to a project and/or programme financed by European Union funds: No

II.2.14) Additional information

Please refer to the 2024-082 ITT document for further information

Section III. Legal, economic, financial and technical information

III.1) Conditions for participation

III.1.1) Suitability to pursue the professional activity, including requirements relating to enrolment on professional or trade registers

List and brief description of conditions

Please refer to the 2024-082 ITT document for further information

III.1.2) Economic and financial standing

List and brief description of selection criteria

For further information please see attached 2024-082 Audit of Data Communications Company ITT

III.1.3) Technical and professional ability

List and brief description of selection criteria

Please see attached 2024-082 Audit of Data Communications Company ITT for further details.

III.2) Conditions related to the contract

III.2.2) Contract performance conditions

Please refer to the 2024-082 ITT document for further information

III.2.3) Information about staff responsible for the performance of the contract

Obligation to indicate the names and professional qualifications of the staff assigned to performing the contract

Section IV. Procedure

IV.1) Description

IV.1.1) Type of procedure

Open procedure

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

The procurement is covered by the Government Procurement Agreement: Yes

IV.2) Administrative information

IV.2.1) Previous publication concerning this procedure

Notice number: [2024/S 000-017140](#)

IV.2.2) Time limit for receipt of tenders or requests to participate

Date

20 December 2024

Local time

12:00pm

IV.2.4) Languages in which tenders or requests to participate may be submitted

English

IV.2.6) Minimum time frame during which the tenderer must maintain the tender

Tender must be valid until: 21 April 2025

IV.2.7) Conditions for opening of tenders

Date

20 December 2024

Local time

12:00pm

Section VI. Complementary information

VI.1) Information about recurrence

This is a recurrent procurement: No

VI.2) Information about electronic workflows

Electronic invoicing will be accepted

Electronic payment will be used

VI.3) Additional information

Please see attached 2024-082 Audit of Data Communications Company ITT for further details.

NOTE: To register your interest in this notice and obtain any additional information please visit the myTenders Web Site at

https://www.mytenders.co.uk/Search/Search_Switch.aspx?ID=224806.

The buyer has indicated that it will accept electronic responses to this notice via the Postbox facility. A user guide is available at

https://www.mytenders.co.uk/sitehelp/help_guides.aspx.

Suppliers are advised to allow adequate time for uploading documents and to dispatch the electronic response well in advance of the

closing time to avoid any last minute problems.

NOTE: To register your interest in this notice and obtain any additional information please visit the myTenders Web Site at

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(MT Ref:233314)

VI.4) Procedures for review

VI.4.1) Review body

Public Procurement Review Service

Cabinet Office

London

Email

publicprocurementreview@cabinetoffice.gov.uk

Telephone

+44 3450103503

Country

United Kingdom

Internet address

<https://www.gov.uk/government/publications/public-procurement-review-service-scope-and-remit>