



# Strategic Sourcing Process – U.S.

*Procurement Guidebook*

Version ~~32~~ – Last Updated November ~~30~~, 2022~~16~~

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## Contents

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## Introduction

## Introduction

### Introduction

This guidebook is the first reference point for U.S. Procurement members running a Strategic Sourcing Process (SSP) event. If the Procurement Lead is running a global sourcing event, the SSP-U.K. process should be followed. The U.S. guidebook is supported by:

- end-to-end process maps
- detailed user guides for individual topics
- training materials, including expert advice on how to apply the right processes, skills and knowledge
- a stakeholder guidebook to support our customers during the process.

All SSP support materials can be found on the Strategic Sourcing Process Sharepoint Site.

This guide outlines the following topics:

- how to prepare to run an event that delivers stakeholder objectives
- the SSP and each Step's purpose
- options offered at each Step and how different decisions could have an impact on the process
- activities that must be completed in each Step
- each Step's required inputs and outputs
- available supporting materials
- major control points.

Each chapter matches the SSP Steps. The decisions you make at the beginning of the process can affect outcomes later on and Steps can overlap.

Ultimately we want to show you how to deliver the best outcome for the business in the shortest time possible, while providing a consistent, safe and repeatable stakeholder experience.

### About the SSP

US Procurement's role is to be a trusted business partner, collaborating with our stakeholders to create value for National Grid in a safe working environment.

We fulfil this role by having a flexible but defined process. This allows our colleagues to understand and continually improve the way we work as a team.

The SSP will:

- 1) drive stakeholder engagement so that Tender Events are aligned with business-defined objectives
- 2) help create and implement third-party solutions

- 3) make sure the Most Economically Advantageous Tender (MEAT) is selected and implemented to an agreed timetable
- 4) create a repeatable and consistent experience for stakeholders by making it clear what activities are required, and carrying them out with clearly defined roles and responsibilities
- 5) make sure that we comply with business requirements, providing a safe environment for our employees and protecting our global reputation.

The SSP is a scalable process. While the major Steps apply to all events, the amount of time and detail associated with each is decided by the Procurement Lead and Event Team. The amount of time and detail should be proportional to the event's requirements and the SSP can deliver events that are of relatively low value and complexity through to those that are of high value and complexity.

### Compliance

The SSP must comply with US law and National Grid policies. A crucial compliance area is the Document Security Policy (DSP).

### Introduction to the Document Security Policy (DSP)

The DSP is a U.S. Procurement policy that's designed to reduce the risk of data security breaches. It applies to all of US Procurement's work but is particularly relevant to the SSP. The SSP has a number of high-risk Steps, such as the analysis and transfer of commercially sensitive information. Where there's a particularly high risk associated with data security these are flagged with the following symbol:



### Five Question Test

#### Is it:

- Non-discriminatory?
- Proportional to our requirement?
- Transparent to suppliers?

#### Does it:

- Treat suppliers equally?
- Recognize an equivalent standard or accreditation if put forward by a supplier?

## Introduction

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### Supplier Equality

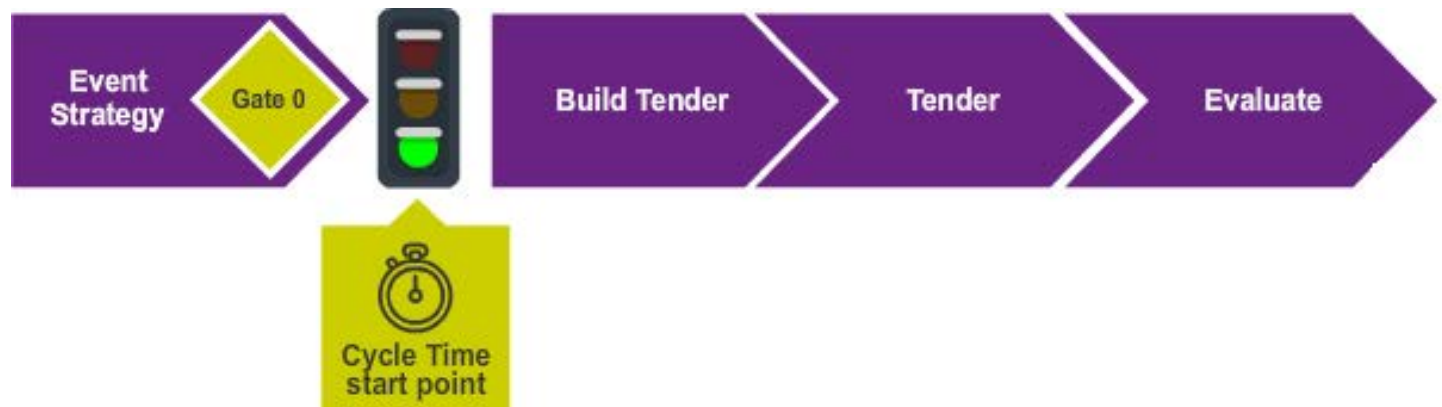
Make sure when running an event it is equal to all suppliers. You can incorporate this by considering the following:

- Equal treatment
- Non-discrimination
- Mutual recognition
- Proportionality
- Transparency



## Introduction

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### *SSP Process overview*

The SSP is modular, with optional activities that can be added or removed depending upon the nature of the event.

The SSP should be used with:

- strategic sourcing events
- framework call-off events.

#### **Pre-Process activity**

The management of the Procurement Plan and ongoing category management activity, as well as explaining what stakeholder preparation is needed before initiating an event.

#### **Step 1: Event Strategy**

Agree on a detailed event structure that matches business requirements.

#### **Gate 0 –Event Strategy Approval:**

This is the first formal approval milestone. The Sponsoring Stakeholder and their agreed delegates will review whether the event should go ahead and approve the Event Strategy.

#### **Step 2: Build Tender**

Build the tender structure and content, for differentiating between bids.

#### **Step 3: Tender**

Manage tender activity, including Tender Queries and collating tender returns documents, before distributing them to Evaluation Teams.

#### **Step 4: Evaluate**

Compare each tender proposal's strengths and weaknesses against the Award criteria.

## Introduction

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### Step 5: Negotiate

Let suppliers know once you've decided on a shortlist, prepare and conduct negotiations (where applicable), and then make your final tender ranking.

**Gate 2 – Shortlisting and Negotiate Approval [optional]:** The Sponsoring Stakeholder and their agreed delegates approve shortlist recommendations and how you plan to negotiate.

### Step 6: Award

Finalize recommendation and get Gate 3- Award Approval approval from the business. Let suppliers know about results and establish a contract or agreement.

**Gate 3 – Award Approval:** The Sponsoring Stakeholder and their agreed delegates approve Contract Award recommendations.

### Step 7: Handover

Prepare contract and handover documents to move to the contract management process. Review lessons learned and complete After Action Review with event team. Complete and finalize benefit form.

# Introduction

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## *Responsible Accountable Consulted Informed (RACI)*

### **RACI Matrix**

The RACI matrix is fundamental to the success of the SSP because it provides clearly defined roles and responsibilities for our stakeholders and US Procurement.

The initiating Business Unit and US Procurement, with the help of other Business Support Functions, work as one team to deliver business outcomes through the SSP.

The RACI for Sponsoring Stakeholder, Technical Lead, Contract Manager/Commercial leads and Procurement Lead are fixed.

The business is responsible for the event's overall outcome and US Procurement is responsible for leading and managing a compliant process.

It's important that Event Team members carry appropriate levels of Delegated Authority (DOA) to approve decisions made throughout the event.

### **RACI Overview**

**Responsible** – individual who does the work

**Accountable** – individual who's ultimately accountable

**Consulted** – individual who needs to provide feedback on and contribute to the activity

**Informed** – individual who needs to know about decisions or actions

### **RACI Template Footnotes**

- (1) Compile project plan, resource commitments and document Event Strategy options, assemble agreed scope, specification, schedules, terms and conditions and award criteria for approval at Gate 0
- (2) Defined team sanction proposed strategy and acknowledge actions to address risks
- (3) Assemble negotiation team, develop negotiation strategy and conduct current state and gap analysis
- (4) Defined team sanction negotiation Strategy and acknowledge actions to address risks
- (5) Assemble consolidated tender scores and resulting award recommendation
- (6) Defined team sanction award recommendations
- (7) Business to provide a shopping cart with requisite DOA
- (8) Create Notification Letters & determine buying channel and communicate process for setup with Stakeholder

## Introduction

| R                   | Responsible                                                                              | Click on name for definition                     | The RACI matrix is fundamental to the success of the SSP because it provides clearly defined roles and responsibilities for our stakeholders and US Procurement. The RACI for Sponsoring Stakeholder, Technical Lead, Contract Manager/Commercial leads and Procurement Lead are fixed. The business is responsible for the event's overall outcome and US Procurement is responsible for leading and managing a compliant process. |                 |                                    |                  |                                                                                |                      |                   |                                         |    |  |
|---------------------|------------------------------------------------------------------------------------------|--------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|------------------------------------|------------------|--------------------------------------------------------------------------------|----------------------|-------------------|-----------------------------------------|----|--|
| A                   | Accountable                                                                              |                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                     |                 |                                    |                  |                                                                                |                      |                   |                                         |    |  |
| C                   | Consulted                                                                                |                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                     |                 |                                    |                  |                                                                                |                      |                   |                                         |    |  |
| I                   | Informed                                                                                 |                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                     |                 |                                    |                  |                                                                                |                      |                   |                                         |    |  |
| Standard SSP RACI   |                                                                                          |                                                  | Business Function                                                                                                                                                                                                                                                                                                                                                                                                                   |                 |                                    |                  | Global Procurement                                                             | Supporting Functions |                   |                                         |    |  |
| SAP Step Number     | SAP Step Name                                                                            | Sponsoring Stakeholder (Must Have DDA for Event) | Technical Lead                                                                                                                                                                                                                                                                                                                                                                                                                      | Project Manager | Contract Manager / Commercial Lead | Procurement Lead | Finance Support / Budgetary Stakeholder (Provides Budgetary info and Analysis) | Proposal Evaluator   | Scoring Evaluator | Legal (Appoint for more complex Events) | IS |  |
| Name of RACI holder |                                                                                          |                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                     |                 |                                    |                  |                                                                                |                      |                   |                                         |    |  |
| 1.1                 | Discuss, Compile, & Send Event RFP Bid Requirements Document (Standard Form)             | A                                                | R                                                                                                                                                                                                                                                                                                                                                                                                                                   | R               | R                                  | R                | C                                                                              | I                    | I                 | C                                       | C  |  |
| 1.2                 | Create Event Strategy Menu                                                               | C                                                | R                                                                                                                                                                                                                                                                                                                                                                                                                                   | A               | R                                  | R                | C                                                                              | I                    | I                 | C                                       | C  |  |
| 1.3                 | Build Project Plan: Establish cycle time                                                 | C                                                | R                                                                                                                                                                                                                                                                                                                                                                                                                                   | A               | R                                  | R                | C                                                                              | I                    | I                 | C                                       | C  |  |
| 1.6 (1)             | Prepare Gate 0 Pack                                                                      | C                                                | R                                                                                                                                                                                                                                                                                                                                                                                                                                   | A               | R                                  | R                | C                                                                              | I                    | I                 | C                                       | C  |  |
| 1.6 (2)             | Prepare Gate 0 Pack                                                                      | A                                                | R                                                                                                                                                                                                                                                                                                                                                                                                                                   | R               | R                                  | R                | C                                                                              | I                    | I                 | C                                       | C  |  |
| 2.1                 | Coordinate Vendor Set-up in Ariba                                                        | I                                                | I                                                                                                                                                                                                                                                                                                                                                                                                                                   | I               | I                                  | A/R              | I                                                                              | I                    | I                 | I                                       | I  |  |
| 3.4-3.5             | Conduct Pre-Bid Session with Vendors<br>Manage Vendor Q&A via Ariba Message Board        | I                                                | R                                                                                                                                                                                                                                                                                                                                                                                                                                   | R               | R                                  | A/R              | I                                                                              | I                    | I                 | I                                       | I  |  |
| 4.1                 | Verify All Tender Documents Submitted                                                    | I                                                | I                                                                                                                                                                                                                                                                                                                                                                                                                                   | A               | I                                  | R                | I                                                                              | I                    | I                 | I                                       | I  |  |
| 4.2-4.9             | Evaluation Process Touchpoint - Conduct Technical & Commercial Alignment/Scoring Session | I                                                | R                                                                                                                                                                                                                                                                                                                                                                                                                                   | A               | R                                  | R                | C                                                                              | R                    | R                 | I                                       | I  |  |
| 5.1 (3)             | Develop Negotiation Strategy                                                             | I                                                | R                                                                                                                                                                                                                                                                                                                                                                                                                                   | R               | R                                  | A/R              | I                                                                              | I                    | I                 | C                                       | C  |  |
| 5.1 (4)             | Develop Negotiation Strategy                                                             | A                                                | R                                                                                                                                                                                                                                                                                                                                                                                                                                   | R               | R                                  | R                | C                                                                              | I                    | I                 | I                                       | C  |  |
| 5.2                 | Shortlist Vendors                                                                        | I                                                | I                                                                                                                                                                                                                                                                                                                                                                                                                                   | I               | I                                  | A/R              | I                                                                              | I                    | I                 | I                                       | I  |  |
| 5.3                 | Conduct Negotiations                                                                     | I                                                | R                                                                                                                                                                                                                                                                                                                                                                                                                                   | R               | R                                  | A/R              | I                                                                              | I                    | I                 | I                                       | I  |  |
| 5.4                 | Review Resubmissions                                                                     | I                                                | R                                                                                                                                                                                                                                                                                                                                                                                                                                   | R               | R                                  | A                | I                                                                              | R                    | R                 | I                                       | C  |  |
| 6.1 (5)             | Prepare Award Recommendation and Gate 3 Deck                                             | I                                                | R                                                                                                                                                                                                                                                                                                                                                                                                                                   | A               | R                                  | R                | I                                                                              | I                    | I                 | I                                       | I  |  |
| 6.1 (6)             | Prepare Award Recommendation and Gate 3 Deck                                             | A                                                | R                                                                                                                                                                                                                                                                                                                                                                                                                                   | R               | R                                  | R                | R                                                                              | I                    | I                 | I                                       | I  |  |
| 6.5 (7)             | Establish Buying Channel                                                                 | A/R                                              | R                                                                                                                                                                                                                                                                                                                                                                                                                                   | R               | R                                  | C                | C                                                                              | I                    | I                 | I                                       | I  |  |
| 6.5 (8)             | Establish Buying Channel                                                                 | I                                                | I                                                                                                                                                                                                                                                                                                                                                                                                                                   | I               | I                                  | A/R              | I                                                                              | I                    | I                 | I                                       | I  |  |
| 6.6                 | File the Contract & Close Ariba Event                                                    | A                                                | R                                                                                                                                                                                                                                                                                                                                                                                                                                   | R               | R                                  | R                | I                                                                              | I                    | I                 | C                                       | I  |  |
| 7.1                 | Complete Event Benefits Form                                                             | I                                                | R                                                                                                                                                                                                                                                                                                                                                                                                                                   | R               | R                                  | A/R              | I                                                                              | I                    | I                 | I                                       | I  |  |
| 7.2                 | Complete Supplier Relationship Handover/ Support Contract Management                     | I                                                | R                                                                                                                                                                                                                                                                                                                                                                                                                                   | R               | R                                  | A/R              | C                                                                              | I                    | I                 | I                                       | I  |  |
| 7.3                 | Complete AAR/Lessons learned & Review best Practices with Stakeholders                   | C                                                | R                                                                                                                                                                                                                                                                                                                                                                                                                                   | A               | R                                  | R                | C                                                                              | I                    | I                 | I                                       | C  |  |

# Introduction

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## *Procurement SSP governance structure*

US Procurement governance points are shown throughout

**US Procurement process governance**

These are formal hold points that require documented approval before an event can proceed. These include US Procurement, event and business governance.

this guide with the 'purple tick' symbol.

These milestones will form part of the standard US Procurement Process Compliance Criteria. They make sure that the SSP is progressing in line with customer expectations and that legal, policy and procedural requirements are met.

US Procurement governance points require a documented audit trail to demonstrate that procedure has been followed. This audit trail needs to be available if the event is selected for internal audit.

**There are up to 8 National Grid SSP governance points in the SSP**

The process is flexible so not all governance points are applicable to all events. For example, a Gate 2 may not be required for an Event.

## Introduction

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### Pre-process activity – Procurement Plan

**Definition:** A documented plan showing delivery of procurement activity to support the needs of a business function. The plan should define and anticipate upcoming business and resource requirements.

## Introduction

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Developing the Procurement Plan is an ongoing activity, generally co-ordinated between Category Managers and senior business stakeholders, which should take place before the sourcing event.

The Procurement Plan should include all Procurement activity in support of the needs of the business function.

### What does the Procurement Plan include?

The Plan could include – but is not limited to – the following:

- Business Function strategic plan and objectives
- existing contracts with expiry dates and planned actions
- active and planned category strategies or category profile
- identified changes to business needs.

### What will the plan produce?

- A business-aligned 12-month (or longer) Procurement Plan to meet the Business Function's needs.
- Appropriately bundled Tender Events with timelines that allow for the preparation required for Gate 0.

### Developing the business-aligned Procurement Plan

The Procurement Plan sets out a holistic view of the agreed activities that will be conducted on behalf of the Business Function over a 12-month (or longer) period. It is managed through the business partnering arrangement between the Category Managers and senior business stakeholders.

The Procurement Plan should contain as a minimum:

- category strategies or category-profiling activity
- identification of new requirements or decisions to replace existing requirements via a competitive sourcing event
- identification of opportunities to use framework call-offs against an existing framework agreement
- consideration to extend or leverage existing agreements
- identification of specific contract management or strategic supplier value lever initiatives
- global sourcing requirements.

If an SSP event is identified by stakeholders, but not already part of the Procurement Plan, this should be discussed with the Category Manager and the Plan reviewed and updated.

Category strategies contain most of the information needed to start planning an SSP event. Where there is no relevant category strategy, it could be useful to create a category profile. A category profile is not as

comprehensive as a category strategy, but focuses on collating the core information needed to run an SSP event and can be prepared more quickly.

The timelines for delivering category strategies and SSP events are based on a number of factors including resource availability and how urgently the information is needed. These factors should be checked when putting the Procurement Plan together.

### Event preparation guidance

Stakeholders need to prepare appropriately so that the SSP event can be managed efficiently. You should meet with the initiating stakeholder(s) as soon as you can and discuss the events input summary to make sure everyone is clear on what preparation is required.

## Step 1 – Event Strategy

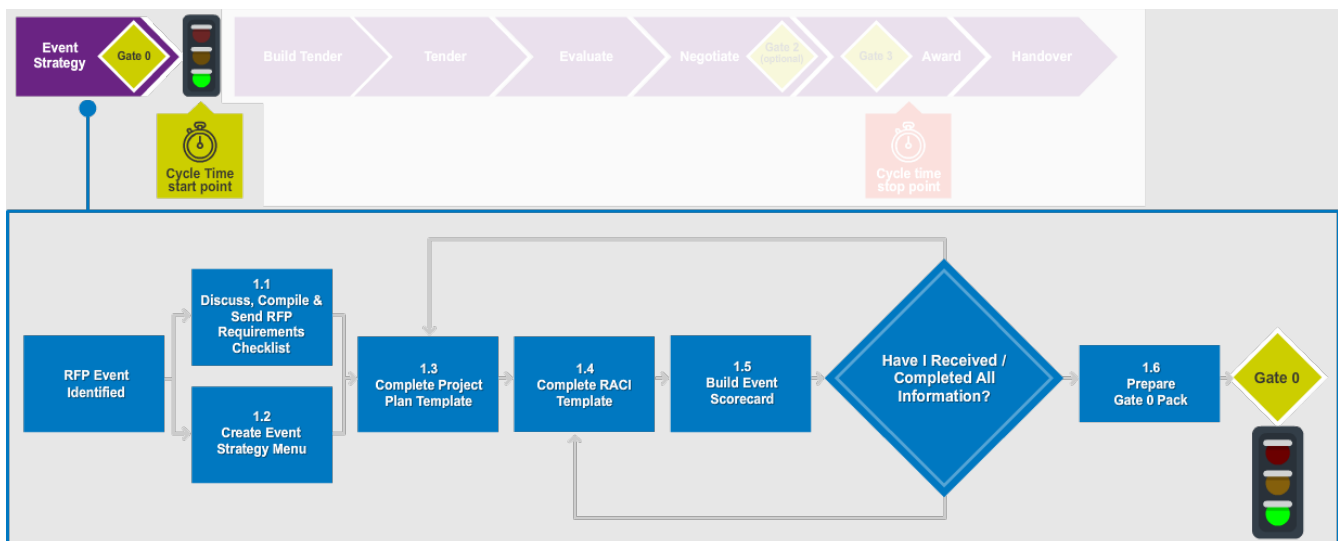
### Step 1 Event Strategy

#### Overview of Event Strategy Steps

- 1.1 Discuss, Compile & Send Tender Requirements Checklist
- 1.2 Create Event Strategy Menu
- 1.3 Complete Project Plan
- 1.4 Complete RACI Template
- 1.5 Build Scorecard

Decision Point: Have I Received/Completed all information necessary to Proceed?

- 1.6 Prepare Gate 0 Pack



## Step 1 – Event Strategy

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### Event Strategy Overview

**Definition:** The Event Strategy outlines how the team will carry out the event. It assumes that the decision to run a sourcing event has already been agreed on as part of the Procurement Plan.

This section should be used when consulting with your business stakeholders to agree on a business-aligned Event Strategy that won't need material changes after Event Strategy Approval.

### Step 1 Inputs:

1. Category strategy or category profile
2. Procurement Plan

### Step 1 Outputs:

1. Event Strategy approved
2. Agreed-upon event program with defined resources, including a proposed qualified list of qualified suppliers

## Step 1 – Event Strategy

### 1.1 Discuss Compile and Send Tender Requirement Checklist

#### Overview of Tender Requirements Checklist:

The purpose of the Tender Checklist is for the Procurement Lead to work with the Project Team in order to obtain all of the required information to launch a successful event. The Procurement Lead will discuss various topics with the Project Team such as risks, required documents from various areas of the business, scheduling and cost information. There are also documents that the Procurement Lead must obtain from certain members of the Project Team in order to move forward such as Scope of Work, Drawings, and Specifications.

#### Description of Tender Requirements Content:

##### General Project Information:

Outlines high-level project information including National Grid entity that is receiving the product or service, submission date and project sponsor.

##### Project Description/Scope:

The purpose of this section is to provide a high level description of the desired product/service and scope.

##### Budget Information:

The purpose of this section is to communicate the budget estimate and if applicable, the historic spend for the same product/service currently being requested. Procurement collaborates with the appropriate stakeholder (for example, eEstimating and pProject mManagement teams) to determine how the estimate is derived. The project estimate may be determined by historical spend, secondary market research, similar projects, etc. Estimate is then approved at Gate 0 by Finance, Procurement, Estimating, and Project Management teams.

Awarding contracts that exceed the estimate are not restricted, as all awards must be approved by the business Sponsoring Stakeholder in Gate 3 – Award Approval in Step 6 – Award.

##### Required Event Documents:

National Grid Procurement Customer/Stakeholder shall provide a Scope of Work along with a fully completed version of the checklist. Additionally, if applicable the stakeholder shall provide any relevant drawings, specifications, maps or additional comments.

##### Spend Breakdown:

The purpose of this section is to provide percentage allocations of the spend by region then separately by OpEx vs CapEx.

#### Environmental:

In this section, the stakeholder shall research and provide any relevant environmental procedures and/or documents that are applicable. The stakeholder should reference the Environmental Procedures link provided in the checklist.

#### Proposed Supplier List:

In this section, Procurement shall work with the stakeholder team and include a list of qualified bidders on the SSP Event Requirements - Checklist. The list must be taken from the category team's official maintained bidders list (the bidders list will indicate the geographic area, type of material or service and degree of capability)

#### Safety/Security:

In this section, the stakeholder shall research the various safety and security policies and provide responses ensuring that they clearly specify any requirements per the policy links provided.

#### Scheduling Information:

The purpose of this section is for the stakeholder to provide key scheduling information such as construction milestones, off work hours required or any permit related constraints.

#### Cost Information:

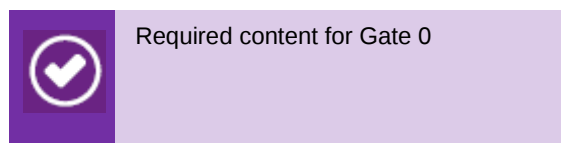
The purpose of this field is for stakeholders to highlight their thoughts on cost model, payment structure, performance bond requirements, and possible union wage implications.

#### Additional Comments/Information:

This field gives the stakeholder the opportunity to provide any information that they consider to be important/relevant.

#### Anticipated Contract Timeframe:

Establishes the stakeholders desired availability date and duration of the product/service.



#### Developing Scope of Work

## Step 1 – Event Strategy

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The scope of work for the event should be developed during this step. While the process to develop the scope of work will vary event to event, the Procurement Lead should consider the following best practices when determining the specific approach for their event:

- SOW development can vary depending on the timeline of the event
- “Scoping Jam” – It may be best practice to hold a one day session to finalize a scope along with your stakeholders. This session can also be utilized to identify and compile additional pre gate 0/Event Strategy information
- If the timeline is flexible, the buyer may choose to identify the best SOW template document and send it to the stakeholder to compile
- Be concise and to the point (other documents will provide the specific bid details)
- Summarize the requirements
- Detail safety
- Gives insight to “owner provided” items
- Provides overall timeline of event
- Document should detail all deliverables/submittals required with the RFP and in the execution of the contract
- Buyers should work with the stakeholder to obtain as much detail as possible. The more detail, the better the event
- Determine how cost will be captured (i.e. lump sum).

Defining the task, materials and deliverables is the main objective of SOW development. Defining these items will help determine the costs of the deliverables and the development of bid sheets.

In addition to the best practices, the Procurement Lead should also refer to the scope of work user guide for examples of recommended scopes of work for different event types.

[Scope of Work User Guide Template](#)

## Step 1 – Event Strategy

### 1.2 Create Event Strategy Menu

The Event Strategy details how a sourcing event is to be carried out.

#### *How to build an Event Strategy*

The Procurement Lead uses the “Event Strategy menu” tool to guide the Technical and Commercial leads (and other Event Team members, if appropriate) through the range of options available. The end goal is to meet our business objectives in the best way possible.

Creating an Event Strategy is a collaborative and step-by-step activity. It requires a sustained commitment by the Event Team members to review all the options on the menu and then decide on the most effective approach.

It's vital that every selection the Event Team makes is documented, along with the supporting materials. This is all part of making sure that our pre-tender preparation is completed before Event Strategy Approval.

The Procurement Lead should consider scope, value and risk when making choices from the Event Strategy menu.

| GLOBAL PROCUREMENT: Event Menu                                                                                                                                                                                          |  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| This Event Strategy menu should use it as a guide when working with the project team to review all the tendering elements. The Procurement Lead will then use the outputs from the review to produce an Event Strategy. |  |
| Gate 0 Event Information                                                                                                                                                                                                |  |
| Project Name                                                                                                                                                                                                            |  |
| What is the "Business Strategy"?                                                                                                                                                                                        |  |
| What are the "Objectives"?                                                                                                                                                                                              |  |
| Identify the "Risks/ Mitigations"                                                                                                                                                                                       |  |
| Identify desired "Success Criteria & Milestones"                                                                                                                                                                        |  |
| Define SLA's and KPI's for project                                                                                                                                                                                      |  |
| Are there any "Lessons Learned" from prior Events?                                                                                                                                                                      |  |
| Can Gates be sent out for approvals via email?                                                                                                                                                                          |  |
| Is a Gate 2 required?                                                                                                                                                                                                   |  |
| What is the "Desired Transition" plan for the event?                                                                                                                                                                    |  |

## Step 1 – Event Strategy

### Evaluation Strategy (Scorecard)

Identify "Major Categories" that are applicable to your evaluation Criteria

Within the "Major Categories" how will the proposals be rated?

What are the "Weighting Requirements" for each category?

### Sourcing Strategy - select all that apply - if yes, please provide comments

|                                                    |                      |                      |
|----------------------------------------------------|----------------------|----------------------|
| Will the Event be Global or US Sourced?            | <input type="text"/> |                      |
| Is a Request for Information(RFI) required?        | <input type="text"/> |                      |
| Is the event a Sole Source?                        | <input type="text"/> |                      |
| Can E- Auction be used for the event?              | <input type="text"/> |                      |
| Are there any Escalation Provisions of award?      | <input type="text"/> | <input type="text"/> |
| Should Rebates/ Reimbursement be considered?       | <input type="text"/> | <input type="text"/> |
| Should Remedies for non performance be considered? | <input type="text"/> | <input type="text"/> |

|                                                                                |                      |                      |
|--------------------------------------------------------------------------------|----------------------|----------------------|
| Parent Company Guarantee (PCG) Required                                        | <input type="text"/> | <input type="text"/> |
| Any Tax implications on Material and/or Labor?                                 | <input type="text"/> | <input type="text"/> |
| Capital Improvement Certificate Required                                       | <input type="text"/> | <input type="text"/> |
| Surety Statement Required                                                      | <input type="text"/> | <input type="text"/> |
| Non Collusive Bidding Certification Required                                   | <input type="text"/> | <input type="text"/> |
| Are there going to be Performance Bonds                                        | <input type="text"/> | <input type="text"/> |
| Are there any Supplier Diversity/ Small Business/ Sustainability requirements? | <input type="text"/> | <input type="text"/> |

### Negotiation Strategy

What is the Negotiation Strategy?

|                      |
|----------------------|
| <input type="text"/> |
|----------------------|

### Supplier Qualification/ Research

|                                                                                     |                      |                      |
|-------------------------------------------------------------------------------------|----------------------|----------------------|
| Is Supplier Research required for new suppliers?                                    | <input type="text"/> | <input type="text"/> |
| Is Market Intelligence research required?                                           | <input type="text"/> | <input type="text"/> |
| Do the suppliers meet the Quality & Financial conditions required by National Grid? | <input type="text"/> | <input type="text"/> |

### Legal Agreement Type

|                                                           |                      |                      |
|-----------------------------------------------------------|----------------------|----------------------|
| What type of Legal Agreement will be established?         | <input type="text"/> | <input type="text"/> |
| Is the Agreement for Direct Materials or Direct Services? | <input type="text"/> | <input type="text"/> |
| Is a Letter of Intent required?                           | <input type="text"/> | <input type="text"/> |
| Which Terms & Conditions will be used for the Event?      | <input type="text"/> | <input type="text"/> |

## Step 1 – Event Strategy

| Corporate Compliance Requirements - select all that apply - if yes, please include relevant documentation in Event |                          |                          |
|--------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|
| Digital Risk& Security                                                                                             | <input type="checkbox"/> | <input type="checkbox"/> |
| Critical National Infrastructure Compliance                                                                        | <input type="checkbox"/> | <input type="checkbox"/> |
| Business Resilience & Continuity                                                                                   | <input type="checkbox"/> | <input type="checkbox"/> |
| Insurance Requirements                                                                                             | <input type="checkbox"/> | <input type="checkbox"/> |
| Document Retention Requirements                                                                                    | <input type="checkbox"/> | <input type="checkbox"/> |
| Restricted Suppliers                                                                                               | <input type="checkbox"/> | <input type="checkbox"/> |
| Regulatory Filing Requirements                                                                                     | <input type="checkbox"/> | <input type="checkbox"/> |
| Reporting Requirements                                                                                             |                          |                          |
| What are the desired Reporting Requirements                                                                        |                          |                          |
| <input type="text"/>                                                                                               |                          |                          |
| Payment Channel (SDC)                                                                                              |                          |                          |
| Purchase to Pay Approach                                                                                           | <input type="checkbox"/> |                          |
| What are the Delivery Requirements                                                                                 | <input type="text"/>     |                          |
| Buying Channel                                                                                                     |                          |                          |
| Sap Contract                                                                                                       | <input type="checkbox"/> |                          |
| Purchase Orders                                                                                                    | <input type="checkbox"/> |                          |
| Product Category Codes (UVDB)                                                                                      | <input type="text"/>     |                          |

### Assumptions

These are our assumptions:

- our business requirements are straightforward and aligned with the solutions offered by the market
- the scope does not change
- we use standard terms and conditions (T&Cs), with minimal negotiation
- business resource is committed and available for all inputs to the process
- negotiations are carried out within a structured timeframe
- business governance timelines are closely aligned with the Gate 3 sign-off.

For new requirements please use the SSP Event Strategy menu to review the available options and select the route to market.

## Step 1 – Event Strategy

### *SSP Event Strategy Menu*

This Event Strategy menu applies to full SSP events. You should use it as a guide when working with the project team to review all the tendering options. The Procurement Lead will then use the outputs from the review to produce an Event Strategy draft – the main aspects of the project plan will stem from this.

Shown here are definitions of some of the strategy options along with pointers for additional information.

### *Glossary and References*

Here you'll find a high-level overview of the available options for an Event Strategy. It's not an exhaustive list and your Event Team may want to consider alternative options. If you need more detail, refer to the user guides that are referenced throughout.

The Procurement Lead is responsible for consulting with the Event Team and advising on the most applicable menu choices.

### **Gate 0- Event Information**

#### **Confirm Stakeholder Participation Agreement. REQ-5401**

The Procurement Lead must read the declaration statement to the participants. The Lead must also confirm with the Approvers that they confirm their staff participation does not violate the Stakeholder Declaration.

#### **What is the Business Strategy for this event?**

The Business Strategy is a summary of how your business plans to achieve its goals and improves and sustains its position in the industry. It will also outline the reasons for the proposed event.

#### **What are the Objectives of the event?**

Outline the critical factors of the event from the business's perspective including definitions of crucial deliverables for the sourcing event. These factors and deliverables will play a vital role in determining the Contract Award recommendation.

#### **Identify any Risks/Mitigation associated with running this event. (i.e. Supplier Risks)**

This section outlines any factors that may have a negative impact on the event including: Event risks, Project Management risks, (e.g. resources, governance, timelines or change in scope), and contract delivery risks. Where applicable, the buyer and stakeholders should attempt to develop mitigating actions for identified risks. Understanding potential risks and mitigating actions will

help the event team to carry out the event strategy without unplanned obstacles.

#### **Identify your desired success criteria and milestones for the event.**

Using the objectives, what does success look like? What are key milestones based on the objectives?

#### **Define Service Level Agreements (SLAs) and Key Performance Indicators (KPIs) for the project.**

Expected Performance level should be well defined in the Service Level Agreement along with using Key Performance Indicators (KPIs) that will measure the vendors' actual performance levels vs the intended performance levels at each part of the process. The event objectives and success criteria should be considered when developing SLAs and KPIs to maintain alignment.

SLA's define performance criteria and KPIs are how you measure the SLAs to the performance criteria. (Refer to KPI User Guides)

#### **What are the lessons learned from prior events if any?**

The team should consider if there are key learnings from past events that could impact how the current event will be carried out. Are there things that worked well and should be repeated? Were there things that did not function properly and should be avoided when setting up the new event strategy?

#### **Can Gates be sent out for approvals via email?**

In most cases Gates can be sent out for approvals via email. However, for very complex projects the stakeholders may want to hold a meeting and walk through the deck with the stakeholder team.

#### **Is a Gate 2 required?**

A Gate 2 may be required if the Buyer has a complex project containing multiple stakeholder groups required to approve how you proceed with the event.

#### **What is the Desired Transition Plan for the event?**

If transitioning to a new vendor for an existing product or service, the business should clearly define the desired transition plan to onboard new suppliers without interruption to the business operation

### **Evaluation Strategy**

At this stage, we recommend you agree on a high-level Award criteria approach that includes evaluation methods and the critical success factors specific to the project.

The purpose of the Evaluation stage is to differentiate and rank the supplier responses to the tender. It assesses how

## Step 1 – Event Strategy

the supplier proposes to deliver the procurement requirement.

You must include details of the Evaluation stage structure in your Contract Award criteria. There are many options available for setting up the process – shown below are some of the ones most commonly used:

- single-phase evaluation – all tender submissions are fully evaluated before an Award recommendation is made. This option is required by the open and restricted procedures
- multiple-phase evaluation – the Evaluation stage is split into two or more distinct phases, with a mechanism for shortlisting tender proposals between phases
- You must communicate the structure with the Award criteria, outlining when shortlisting will apply. This approach is commonly used in the negotiated procedure to reduce the number of suppliers moving through to the Negotiation phase.
- e-auction – this uses an electronic system to evaluate price or other quantitative elements of a bid. It isn't suitable for all purchases
- An e-auction is often used at the end of an Evaluation process, after the assessment has confirmed that submissions meet technical and service level requirements and all assumptions have been investigated.

The Evaluation Scorecard will be used to rate proposals received back from the suppliers included in Tender Events. The Business will determine the below criteria in developing the scorecard content. For more specific instructions on utilizing the Evaluation Scorecard, refer to the Evaluation Scorecard SOP.

### **Competitive bidding evaluation timing**

Gate zero decks shall include, By default, where competitive bidding is employed, Procurement will utilize source tools e.g Ariba, which are configured to ensure that only Procurement can unseal the bids at the end of the tender process Use Gate 0 decks to document if Procurement will follow a different process, for example, to review the contents of the bids before the end of the tender process. Notify all bidders of changes to the normal tender procedures when launching the event in Step 3 - Tender.

### **Awarding to other than the low bidder**

Where competitive bidding is employed, the Procurement Lead shall agree with stakeholders, how to proceed Specify the procedure employed in making awards in the absence of bids. In addition, the event evaluation criteria should be comprehensive enough to enable selecting the Most Economically Advantageous Tender (MEAT), even if awarding to a supplier

or, where competitive bidding is employed, to a person other than the low bidder. These details should include the scenario where single source is utilized where no bids are employed whereby the single source is agreed to by the business as well as the sponsor. In addition, notation surrounding a scenario where a bidder other than the lowest bidder is selected based upon prior experiences where more value and lack of cost overruns could be foreseen

### **Competitive bidding and evaluation for New York Distributed Energy Resources (DER).**

For New York (Niagara Mohawk/KEDNY/KEDLI) DER purchases, the Procurement Lead shall utilize competitive bidding practices or standard offers (approved single/sole source requests)-to purchase DER until such time as the Commission determines otherwise. If a National Grid affiliate participates in a competitive bidding process for DER procurement, an independent third-party shall be engaged to monitor the procurement selection process.

### **Identify the major categories that are applicable to your evaluation criteria.**

Using the Scorecard template, identify the major categories that will be used to evaluate supplier proposals as they are submitted through the RFP. Examples: Project Management, Project Experience, Industry Experience, Utility Experience and Operational Costs.

### **Create questions within the categories that will be used to rate the proposals.**

Using the determined scorecard categories, define individual questions that pertain to each category that can be weighted and scored as you evaluate the proposals. These questions can also be used while interviewing suppliers

### **What will be the rating requirements for each category question?**

Each question should contain a weighting that determines the importance of the question to the overall category. The weighting is used to determine the score for the question and therefore the category and overall supplier rating.

## **Sourcing Strategy**

## Step 1 – Event Strategy

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### Will the event be globally or US sourced?

If the Procurement Lead is running a U.S. sourcing event, the SSP-U.S. process should be utilized. If the Procurement Lead is running a global sourcing event, the SSP-U.K. process should be followed.

### Does the event require a request for information (RFI) event to be done?

In some cases, an RFI may need to be done to research potential suppliers for the intended requirements and assess their capabilities before going out for RFP.

### Is the event being sole sourced?

The SSP U.S. process is not intended to deliver sole sourced events. If it is determined that the event will be sole sourced. This should be agreed on between stakeholders and procurement and the approach to complete the event should be determined.

### Can an E-Auction be used for the event?

In some cases, an E-Auction can be run especially when you have defined specifications for parts or services that can be easily be quoted using the auction parameters. Materials are a prime area for E-Auctions. However, Services can also be a prime area if there is a defined service level.

### Are there any escalation provisions of award?

In some cases, when identified by the business, additional approval may need to be obtained before an official award can be rendered. Example: in Employee Services, approval from a higher authority such as Benefits Committee or Shareholders may need to be secured.

### Should rebates/reimbursement be considered?

Based on the level of negotiations and desired performance levels, we may ask the supplier for additional discounts or rebates based on achieving certain levels of performance or volumes.

### Should remedies for non performance be considered?

### Is a Parent Company Guarantee (PCG) required?

A Parent Company Guarantee (PCG) is a guarantee by a parent company of a contractor's performance under its contract with its client, where the contractor is a subsidiary of the parent company.

PCG's are provided by the contractor's parent (or holding) company. They guarantee that a contract will be carried out and completed in the agreed manner. If a contractor defaults, the parent company is obligated to remedy the breach.

If the contractor is no longer able or willing to continue with the works, the parent company will have to meet all the contractor's obligations and complete the works to the standard specified in the terms of the original contract.

### Are there any tax implications on Material and/or Labor?

The Buyer should work with the business to determine if any portions of the Material and/or Labor is tax based on the jurisdiction of where the services are being performed or Material received.

### Is a Capital Improvement certificate required?

Based on the tax implications, certain documentation such as a Capital Improvement Certificate may need to be executed and sent to the supplier to avoid excess tax being applied to the Material and/or Labor.

### Is a Surety Statement required?

A Surety Statement is a signed document by the Buyer that ensures payment for the materials and/or services to the Seller, or guarantees the terms of the business arrangement

### Is a Non-Collusive Bidding certification required?

The Non-Collusive Bidding certificate is filled out by the supplier stating that they have not gone outside the scope of work and utilized any other vendor to perform work not related to the scope.

### Performance Bonds

Performance Bonds are typically provided by banks or insurance companies. They guarantee payment (up to the stated amount) if a supplier breaches their contractual obligations. The industry standards is 10 percent of the initial contract sum, and the supplier pays the cost of the performance bond.

### Any Supplier Diversity/Small Business/Sustainability Requirements?

The Buyer should refer to the Supplier Diversity and Sustainability team when running an event to determine if diverse suppliers have been included. As a rule of thumb, the Buyer should typically include at least 1 diverse supplier in 3 bids and a buy situation.

### Negotiations

#### What is the initial negotiation strategy?

The Buyer should define the initial negotiation strategy to determine how the objectives of the event will be achieved. The focus of the strategy may be improving cost or performance to ensure that the desired results of the business are accomplished.

## Step 1 – Event Strategy

In developing the negotiation strategy the buyer should consider defining the current state and gap analysis and determine the main negotiation points that will bring high value to the business. This may involve reduced cost, improved service levels or negotiation of favorable terms.

### **Supplier Qualifications/Research**

#### **Is supplier research required for new suppliers?**

Where competitive bidding is employed, a bid list will be submitted on the SSP taken from the category's maintained bid list of qualified bidders by geographic area, type of material or service provided, and degree of capability. As required, additional qualified suppliers may be added to the bid list as outlined in the Supplier Pre-Qualification process. The Procurement Lead and business stakeholders jointly agree the criteria for including or excluding bidders, based on the specific circumstances of the event.

In some cases, new suppliers may need to be researched and vetted before they can be solicited for business. This may include Financial Assessment, as well as Capability Assessment. This is separate from putting out a formal RFI.

The business may request that we add a supplier we haven't used before to the bid list. There may be a request for a minority supplier or for a new supplier with special capabilities and experience relative to the specific event.

#### **Is market intelligence research required?**

The buyer may elect to solicit help from the strategy group to research potential spend, suppliers, as well as help develop key strategies to be used in the event.

#### **Do the suppliers meet the quality and financial conditions required by National Grid?**

In some cases, suppliers may need to meet IS Network (ISN) or other Quality goals before the supplier can be allowed to quote on the event requirements. They may also need to meet certain financial capability so they can provide the services and supply material required

New suppliers may need to be onboarded into SAP using the vendor onboarding criteria if they will be awarded a bid and are not currently in the SAP system. This will need to be done prior to award.

New suppliers may need to be added to Ariba prior to launching the RFP if they are not currently set up in the Ariba System.

### **Legal Agreement Type**

#### **What type of Legal Agreement will be established?**

The event team will need to consider what type of legal Agreement will be necessary for the event. Types to consider may include:

#### **Framework Agreement**

If the project requires multiple categories of work to be provided by the supplier, a Framework Agreement may be required. The Framework should have provisions of how the services will be released off the Agreement working in conjunction with the PO.

Here's the regulatory definition:

*"...an agreement between one or more utilities and one or more economic operators, the purpose is to establish governing contracts to be awarded during a given period, in particular with regards to price and, where appropriate, the quantities envisaged."*

#### **Master Services Agreement**

If the project requires multiple projects within a defined category of work to be provided by the suppliers, a Master Services Agreement (MSA) may be required. The MSA should have provisions of how the services will be released off the Agreement working in conjunction with the PO

#### **Multi-Term Agreement**

A Term Agreement is a contract that may cover multiple years for the category of work to be provided by the supplier. The Term Agreement is normally specified and works in conjunction with the POs being released.

#### **Single Term Agreement**

A Single Term Agreement is a contract that covers a single category of work to be provided by the supplier. The Single Term Agreement normally works in conjunction with the PO.

#### **Is the agreement for direct materials or direct service?**

If the legal agreement will be single term, please specify whether it is for a material or service.

#### **Are Letters of Intent required?**

A Letter of Intent is normally used to bind the parties temporarily allowing work to be provided until a formal Agreement can be negotiated.

#### **Which Terms and Conditions (T&Cs) will be used for the event?**

T&Cs are available for the supply of goods; goods and services; and term services and would be available base on the commodity and complexity of your event. The T&Cs can be found on the Procurement information Hub under T&Cs/U.S.

## Step 1 – Event Strategy

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### **Corporate Compliance Requirements**

#### **Digital Risk and Security**

If the suppliers have access to National Grid Sites, Data, or Networks they will need to complete a DRS risk assurance questionnaire in order for the business to evaluate the level of Digital Risk. The buyer should consult with the DRS group and refer to the DRS policy for further instructions.

#### **CNI Compliance (Including IS)**

If the project needs to be considered for Critical Network Infrastructure (CNI) Compliance, the event team will need to determine when and to what extent to involve CNI representation.

#### **Business Resilience and Continuity Policy**

Business Area & Buyers should identify whether the services or materials being sourced are critical to National Grid's operation. Upon award of the event, contracts for critical services and materials should include business resilience and continuity in the contract management processes. Buyers should consult with the contact from the Business Resilience and Continuity department for guidance when forming the contract.

#### **Insurance Requirements**

The Buyer should consult with Risk & Insurance on any special Insurance requirements for the project or exceptions taken by the supplier beyond what is normally included in the standard terms and conditions.

#### **Restricted Suppliers (i.e. Blocked Suppliers)**

Prior to commencing competitive bidding/tendering activities, Buyers should check the Blocked Suppliers list on the US Procurement Infonet site to ensure that there aren't any sanctioned suppliers or suppliers that are blocked from doing business with National Grid included in the Tender.

#### **Regulatory Filing Requirements**

A project may be subject to regulatory filing requirements. An example of a project that would be subject to regulatory filing, is any project that is over \$1 million that relates to construction, improvement, extension or maintenance of a Utility's plant, works or system. These contracts must be filed with the New York PSC.

## Step 1 – Event Strategy

| Gate 0 Event Information                                                                                                                                                                                                                                                                                                                                                                                                                              | Evaluation Criteria                                                                                                                                                                                                     | Sourcing Strategy - select all that apply - if yes, please provide comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Project Name</p> <p>What is the "Business Strategy"?</p> <p>What are the "Objectives"?</p> <p>Identify the "Risks/ Mitigations"</p> <p>Identify desired "Success Criteria &amp; Milestones"</p> <p>Define SLA's and KPI's for project</p> <p>Are there any "Lessons Learned" from prior Events?</p> <p>Can Gates be sent out for approvals via email?</p> <p>Is a Gate 2 required?</p> <p>What is the "Desired Transition" plan for the event?</p> | <p>Identify "Major Categories" that are applicable to you evaluation Criteria</p> <p>Within the "Major Categories" how will the proposals be rated?</p> <p>What are the "Weighting Requirements" for each category?</p> | <p>Will the Event be Global or US Sourced?</p> <p>Is a Request for Information (RFI) required?</p> <p>Is the event a Sole Source?</p> <p>Can E- Auction be used for the event?</p> <p>Are there any Escalation Provisions of award?</p> <p>Should Rebates/ Reimbursement be considered?</p> <p>Should Remedies for non-performance be considered?</p> <p>Parent Company Guarantee (PCG) Required</p> <p>Any Tax implications on Material and/or Labor?</p> <p>Capital Improvement Certificate Required</p> <p>Surety Statement Required</p> <p>Non Collusive Bidding Certification Required</p> <p>Are there going to be Performance Bond</p> <p>Are there any Supplier Diversity/ Small Business/ Sustainability requirements?</p> |

## Step 1 – Event Strategy

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|                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                         |                                                                                                                                                                                                                                  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Negotiation Strategy</p>                                                                                                                                                                                                                                             | <p>Supplier Qualification/ Research</p>                                                                                                                                                                 | <p>Legal Agreement Type</p>                                                                                                                                                                                                      |
| <p>What is the Negotiation Strategy?</p>                                                                                                                                                                                                                                | <p>Is Supplier Research required for new suppliers?</p> <p>Is Market Intelligence research required?</p> <p>Do the suppliers meet the Quality &amp; Financial conditions required by National Grid?</p> | <p>What type of Legal Agreement will be established?</p> <p>Is the Agreement for Direct Materials or Direct Services?</p> <p>Is a Letter of Intent required?</p> <p>Which Terms &amp; Conditions will be used for the Event?</p> |
| <p>Corporate Compliance Requirements - select all that apply - if yes, please include relevant documentation in Event</p>                                                                                                                                               | <p>Reporting Requirements</p>                                                                                                                                                                           | <p>Payment Channel (SDC)</p>                                                                                                                                                                                                     |
| <p>Digital Risk&amp; Security</p> <p>Critical National Infrastructure Compliance</p> <p>Business Resilience &amp; Continuity</p> <p>Insurance Requirements</p> <p>Document Retention Requirements</p> <p>Restricted Suppliers</p> <p>Regulatory Filing Requirements</p> | <p>What are the desired Reporting Requirements</p>                                                                                                                                                      | <p>Purchase to Pay Approach</p> <p>What are the Delivery Requirements</p>                                                                                                                                                        |
| <p>Buying Channel</p>                                                                                                                                                                                                                                                   |                                                                                                                                                                                                         |                                                                                                                                                                                                                                  |
| <p>SAP Contract</p> <p>Purchase Orders</p> <p>Product Category Codes (UVDB)</p>                                                                                                                                                                                         |                                                                                                                                                                                                         |                                                                                                                                                                                                                                  |

## Step 1 – Event Strategy

### Document Retention Requirements

Prior to commencing competitive bidding/tendering activities, Buyers shall contact National Grid Information and Records Management (IRM) and Legal departments if the following supplier requirements apply:

Any suppliers who hold or maintain National Grid data or documents (or act as National Grid's System of Record), should be made aware and contractually obligated to maintain the documents or data per National Grid's retention schedules. If the supplier cannot maintain the documents per the schedules, or it is not reasonably practicable or cost effective to do so, prior to contract expiration, the supplier will furnish or return the documents or data to National Grid via reasonably standard and accepted practices and formats.

### Reporting Requirements

#### What are the Desired Reporting Requirements?

The business should outline any special reporting requirements (including those in any Service Level Agreements) regarding project performance and/or keeping track of key points in the project.

### Payment Channel (SDC)

#### Purchase to Pay Approach

This relates to managing spend within the agreement. For example, if you're going to need to set up a catalogue structure, it's important to specify it as an output requirement at this stage. This will make sure that any applicable assessment criteria (such as the user accepting the catalogue structure) can be considered during the evaluation.

Items to consider:

- catalogues
- a single contract with purchase orders allocated to a single contract number
- a framework agreement with multiple contract numbers allocated to it
- the line of business structure – do we need several contracts, to cover multiple lines of business?
- consolidated monthly invoicing
- payment terms.

The Buyer should work with the SDC to determine the appropriate payment channel.

#### What are the delivery Requirements?

Key delivery requirements for the payment structure should be outlined by the business here

### Buying Channel

#### SAP Contract

### Purchase Orders

#### Product Category Codes (UVDB)

### *Contract Award Criteria*

You should consider the Contract Award criteria alongside the Evaluation Strategy. The Award criteria define how the tender will be assessed.

At this stage, we recommend you agree on a high-level Award criteria approach that includes evaluation methods and the critical success factors specific to the project.

You'll need to define the main Award criteria areas and allocate provisional weightings to each. The detail of these will need to be finalized by Gate 1.



#### Have you thought about...

- Holding your Event Strategy discussions in a workshop environment where all stakeholders could have an input?
- Reviewing the RACI and the project team with all participants, to check that you aren't missing any stakeholders?
- Booking all Gate reviews in advance?

## 1.3 Complete Project Plan Template

Once the Event Strategy has been collated the Procurement Lead will be able to build a detailed, event-specific program.

Event timescales will be driven by:

- the Event Strategy
- the tender period
- the use of additional evaluation tools, like site audits or user acceptance testing.

You'll find some project plan template examples in Microsoft Projects format on the SSP portal:

[Tender Project Plan Templates.](#)



## Details project plan – top tips

When agreed on, the tender project plan becomes the core project management tool. Here are some top tips:

1) make sure you approve any changes (including delays) to the tender project plan in line with the governance structure (which was defined at Event Strategy Approval)

2) the project plan should be an evolving document, with a new revision created every time there's a change

3) all members of the Event Team should be able to tap into the project plan to review progress at any time, so you need to decide how you're going to achieve this

4) if you revise the project plan, you must log all the relevant details, including why the change was agreed. This level of detail will be important when it comes to identifying 'lessons learned' at the end of the event and the cycle time tracking of the event

5) you should update the project plan regularly, to record completed activity

6) you should provide a regular status update that highlights any changes and actions that are needed (this should all be in the communications plan that was agreed on at Event Strategy Approval as part of the project management plan).

Once the project plan has been built, the Procurement Plan may need to be updated to ensure the dates for key milestones are aligned.

## 1.4 Complete RACI Template

### RACI Overview

**Responsible** – individual who does the work

**Accountable** – individual who's ultimately accountable

**Consulted** – individual who needs to provide feedback on



Formal approval milestones and approval records as a requirement for Gate 0- Event Strategy Approval content.

and contribute to the activity

**Informed** – individual who needs to know about decisions or actions

### Event Team members (RACI) (Menu)

The event's Sponsoring Stakeholder must provide a list of team members, which should be checked and developed where required by the Procurement Lead.

### Suggested team members

- **Sponsoring Stakeholder:** The sponsor has a number of accountabilities. These include allocating business resources and defining what high-level business needs have to be addressed. They approve the Event Strategy at Event Strategy Approval and confirm through gate approvals throughout the event that they're satisfied that the event continues to match business needs. The sponsor must hold a suitable Delegated Authority (DOA) level for the event.
- **Technical Lead:** Each Business Unit should have a technical representative who can assist with the technical requirements associated with the Tender Event.
- **Project Manager:** Responsible party for keeping the project on schedule. They identify and track all tasks so the Project is completed on the identified End Date. They work with the National Grid team, as well as the winning bidder. This person usually reports directly to a member of upper management.
- **Commercial / Contract Management Lead:** Each Business Unit should appoint a Commercial representative from their contract management teams.
- **Finance Support/ Budgetary Stakeholder:** A representative to provide budgetary information and analysis.
- **Proposal Evaluator:** Responsible for evaluating the proposals submitted by the vendors for the Tender Event.
- **Scoring Evaluator:** Responsible for scoring the proposals submitted by the vendors for the Tender Event using the Bid Evaluation Form. For some Categories the Proposal Evaluator and the Scoring Evaluator are the same.
- **Legal:** In more complex Tender Events the Procurement Lead will ask Legal to assign a representative to the event. For smaller Tender Events, Legal may be consulted when changes are submitted to National Grid's Terms and Conditions that are not considered "Business" related. IS – For any Tender Event that has a technical component, an IS BRM (Business Relationship Manager) will need to be included on the Tender team. The BRM works closely with other Global IS departments to provide guidance and ensure appropriate IS representation for the requested solution.
- **SSR:** Safety, Sustainability and Resilience (SSR) is a central National Grid department that should be consulted with in the first instance. The Business Unit may appoint an internal Safety, Health, Environment and Quality (SHESQ) representative.
- **P2P:** P2P input is needed for the invoicing and payment process, as well as operational areas such as the use of catalogues.

## Step 1 – Event Strategy

### Utilizing the RACI

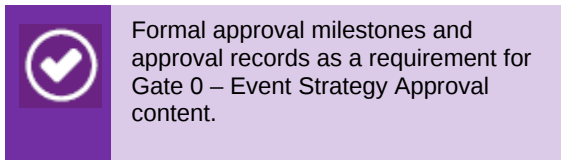
Where an event crosses multiple lines of business, representatives should be identified from each affected area. If a line of business declines to take part in the tender process, it should confirm this in writing.

The Procurement Lead should align the project team to the SSP RACI (as defined in the Introduction section) to make sure that each member is aware of their role and responsibility in the tender process.

### 1.5 Build Scorecard

The Team should consider the business objectives, critical success criteria and the Evaluation Strategy when developing the evaluation scorecard and Award criteria. The Award criteria define how the tender will be assessed.

At this stage, we recommend you agree on a high-level Award criteria approach that includes evaluation methods



Formal approval milestones and approval records as a requirement for Gate 0 – Event Strategy Approval content.

and the critical success factors specific to the project.

You'll need to define the main Award criteria areas and allocate provisional weightings to each. The detail of these will need to be finalized by Gate 0.

The Buyer and Event team should refer to the Evaluation Strategy section of the Event Menu in section 1.4 as well as the Evaluation Scorecard SOP in order to complete the Evaluation Scorecard Template.

### Decision Point

Have I received or completed all Event Information that I need to proceed?

#### Event Strategy outputs

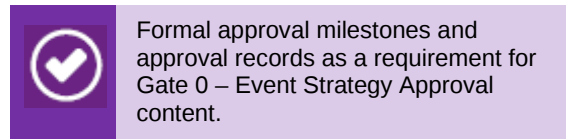
The project team will develop an event strategy detailing how the sourcing event will work (it will form the basis of Event Strategy Approval, which is where the event strategy will be ratified). Make sure you record and collate the output of all the thought processes, discussions and decisions supporting the recommended event strategy.

#### Compiling the Event Strategy

The Event Team is responsible for compiling the documents supporting the thought processes, discussion and decisions that have helped shape the Event Strategy stage.

These documents will include (but are not limited to):

- the event objectives (including needs, critical success factors and main deliverables)
- Event RACI
- Event Project Plan
- the event risks
- the contract delivery risks
- the completed digital risk and security (as applicable)
- the procurement approach, including:
  - o the route to market



Formal approval milestones and approval records as a requirement for Gate 0 – Event Strategy Approval content.

- o the Evaluation scorecard
- o the agreement structure and options
- o the Award criteria
- o the Project Management strategy
- o technical scopes
- o the technical specification.

At this point in this process the Procurement Lead should be reviewing the outputs of the Tender Requirements Checklist and the Event Strategy Menu to determine:

- Do I have answers to all of the questions that I have asked of the Event Team?
- Do I have all of the necessary documents required to move forward such as a completed scope of work, specs, and documents indicated above?

If the Procurement Lead determines that information is still incomplete and therefore is not prepared to advance to Gate 0-Event Strategy Approval, the Procurement Lead should reengage their stakeholders to gain clarity and specification. If the Procurement Lead is confident that the necessary information has been captured, they should proceed onto step 1.6 Prepare Gate 0 - Event Strategy Approval Pack.

### 1.6 Prepare Gate 0 - Event Strategy Approval Pack

#### Event Strategy Approval

For all events, you must complete the Event Strategy Approval 'event readiness status' template. It outlines areas of the Event Strategy (or inputs to the process) that are missing or weak, therefore flagging any risk areas and their likely impact.

If there are several risk areas, the Procurement Lead should assess whether or not the overall risk is significant enough to be given a 'red' event readiness status. At the Gate review, the discussion should center on how to

## Step 1 – Event Strategy

resolve risk areas and whether or not the event should be 'held' at Event Strategy Approval until resolution.

The minimum Event Strategy Approval content is:

- An event readiness template (indicating amber or red risk areas)
- Event Strategy (Business Objectives, success criteria, and strategy to obtain the objectives through the event)

- Tender Event Outline (Summary of event scope including: baseline spend, value definition, and Supplier Evaluation Criteria)
- Event RACI
- Event Risks (with the mitigations that were proposed)
- a project plan overview
- Proposed Supplier List

Any other content collated during the Event Strategy phase is flexible and depends on stakeholder requirements.

| Event Readiness Elements:         | Status | Comments                                                             |
|-----------------------------------|--------|----------------------------------------------------------------------|
| <b>Event Strategy</b>             |        |                                                                      |
| Business Objectives               |        |                                                                      |
| Supplier Performance Criteria     |        | Performance Criteria not fully agreed                                |
| Sourcing Strategy                 |        |                                                                      |
| Negotiation Strategy              |        |                                                                      |
| Pricing Model                     |        |                                                                      |
| Agreement Type                    |        |                                                                      |
| <b>Outline Tender Event</b>       |        |                                                                      |
| Summary of Scope                  |        |                                                                      |
| Baseline Spend                    |        |                                                                      |
| Define Value                      |        |                                                                      |
| Supplier Evaluation Criteria      |        |                                                                      |
| <b>Event RACI (including DOA)</b> |        | Technical Lead resource not identified                               |
| <b>Event Risks</b>                |        |                                                                      |
| <b>Proposed Supplier List</b>     |        |                                                                      |
| <b>Event Timeline</b>             |        | Fully finalized plan not in place, creating a risk to final delivery |
| <b>Event Readiness</b>            |        | <b>HOLD</b>                                                          |

## Step 1 – Event Strategy

### Gate 0 – Event Strategy Approval

At this point in the process, the Procurement Lead should be ready to ask for Event Strategy Approval from the business

Things to think about should be:

- Is my Tender Checklist completed?
- Is my Event Strategy Menu completed?
- Are all of the members of the Project Team aware of their roles and responsibilities? (RACI)
- Have I completed my Project Plan to the best of my ability and has it been done in a realistic time frame in order to run a successful event?
- Is my Event Strategy Approval Deck complete? Am I missing any information that is crucial to the Event Strategy portion of my event?
- Are all event participants confident that we understand the event and are ready to proceed with minimal change once the event has started?

### Event Strategy Approval Review

Event Strategy Approval is the formal review and approval milestone where all identified parties approve the Event Strategy. The Sponsoring Stakeholder, with the appropriate DOA must be present at Event Strategy Approval. Without formal approval you won't be able to move to the next stage.

Why do we have a formalized Event Strategy with Event Strategy Approval? It's to prevent big changes being made to the tender process after the event has launched.

All identified approvers must sign off the Event Strategy at Event Strategy Approval. This governance requirement determines the baseline project plan and the event



**Formal approval milestone: Gate 0 Approval**

objectives that will shape the event.

We recommend that Event Strategy Approval is a scheduled meeting (face to face, WebEx or conference call) for the event approvers.

### [Gate 0-Event Strategy Approval Template](#)

The Gate reviews are an integral part of our audit trail and can be disclosed if a legal challenge arises.

Where you're not able to obtain written Gate approval, you must get approval by email from the list of Gate approvers that was agreed to at Event Strategy Approval.



### Formal approval milestones and approval records

There are three formal approval milestones in the SSP Process:

- Gate 0: Event Strategy Approval
- Gate 2 (optional): Shortlisting and Negotiation Plan Approval
- Gate 3: Award Approval.



Make sure that you follow the latest Document Security Policy at all times

## Step 1 – Event Strategy

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### *Step 1 Summary*

By this stage of the process you should have completed the Event Strategy portion of the process and be able to show evidence of:

- Confirmation of Stakeholder Participation Agreement by Approvers
- Agreed-Upon Event Project Plan
- Agreed-Upon RACI identifying Roles and Responsibilities throughout the event
- Completed Event Requirements Checklist and Event Strategy Menu
- Gate 0 – Event Strategy Approval obtained.

## Step 2 – Build Tender

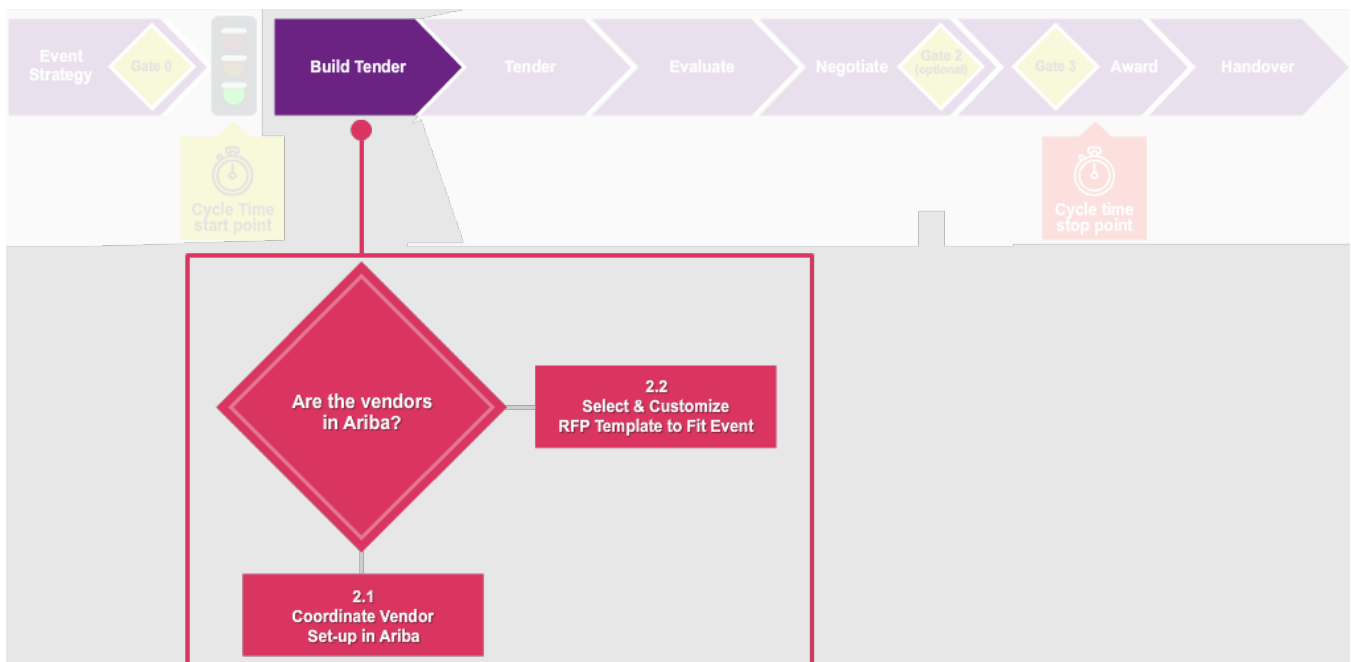
### Step 2: Build Tender

#### Overview of Build Tender Steps

Decision Point: Are the Vendors in Ariba?

2.1 Coordinate Vendor Set up in Ariba

2.2 Select and Customize RFP Template to fit Event



## Step 2 – Build Tender

---

**Definition:** The Build Tender Section outlines the process for the Procurement Lead to verify that all of the vendors have been onboarded to Ariba and that the correct tender template has been identified to fit the specific event.

This section should be used when the Procurement Lead is ready to build the event in Ariba with all of the vendor onboarding completed.

### Step 2 Inputs:

1. Event Strategy and Event Strategy Approval
2. List of Qualified Suppliers

### Step 2 Outputs:

1. Fully compiled tender template in Ariba

## Step 2 – Build Tender

### Chapter title

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#### *Decision Point - Are the Vendors in Ariba?*

##### **Identifying and Verifying Vendors**

After Event Strategy Approval, make sure all vendors are onboarded into Ariba.

- If the Procurement Lead confirms that all suppliers have been onboarded into Ariba, then go to Step 2.2, Select & Customize Template to Fit Event.
- If not, then utilize Step 2.1, Coordinate Vendor Setup in Ariba.

#### *2.1 Coordinate Vendor Set-up in Ariba*

If the Procurement Lead determines that vendors are not currently set up in Ariba, contact the National Grid Procurement Process Lead to access onboarding forms.

All candidates participating in a tender must have a profile on Ariba. To check whether a profile already exists, ask a potential candidate for the following information:

- organization name
- organization telephone number
- organization email address
- organization address
- contact name
- contact email address
- contact telephone number.

**Note:** National Grid has vendors set up in SAP, but they may not be set up in Ariba. Please verify that the vendor is in both locations.

#### *2.2 Select & Customize Tender Template to Fit Event*

Once it has been confirmed that suppliers have been onboarded to Ariba, the Procurement Lead should select the tender template from the Ariba sourcing library to fit



##### **Consideration of Document Security Policy**

When using a contract notice, a signed non-disclosure agreement (NDA) is required before providing access to procurement documentation in the Ariba.

A signed NDA must be included in the template before the vendor can get access to any confidential National Grid information.

their specific event.

Refer to the Event Requirements Checklist (1.1) and Event Strategy Menu (1.2) to ensure you've added all documents to the template for supplier.

## Step 2 – Build Tender

---

### *Step 2 Summary*

By this stage of the process you should have completed the Build Tender portion of the process and be able to show evidence of:

- all suppliers included in the event onboarded and set up in Ariba
- fully compiled tender template in Ariba.

## Step 3 – Tender

### Step 3 – Tender

#### Overview of Tender Steps

3.1 Launch Event in Ariba

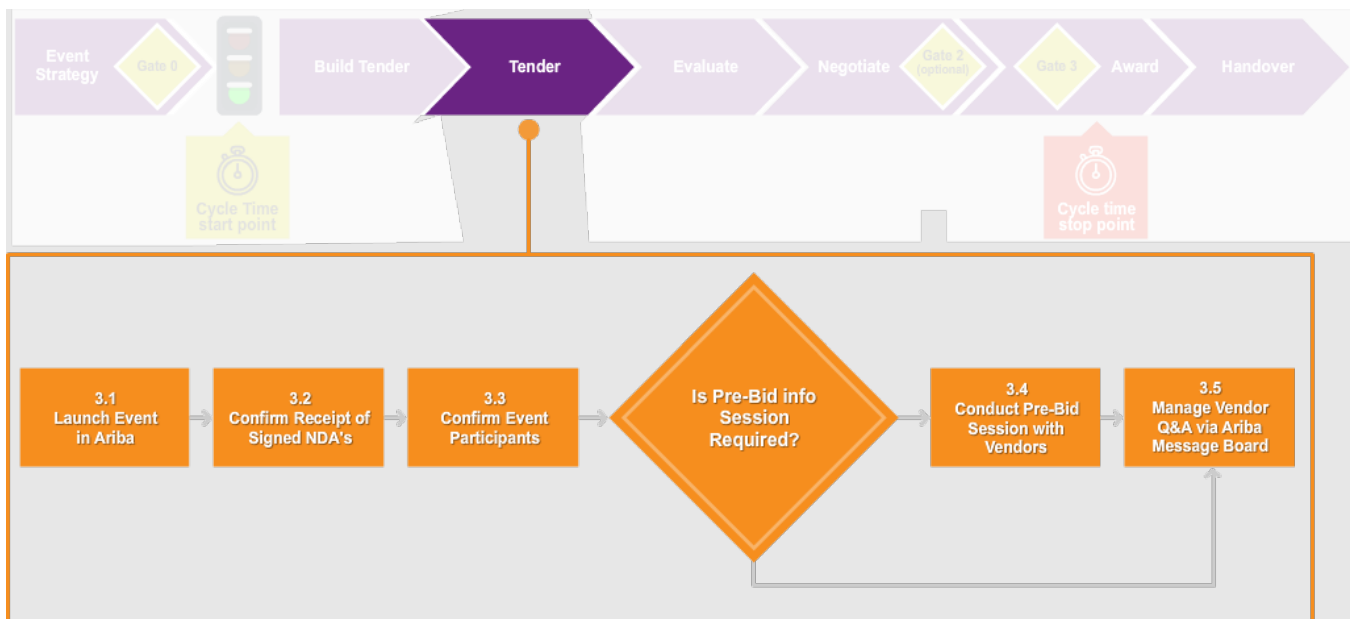
3.2 Confirm Receipt of Signed NDAs

3.3 Confirm Event Participants

Decision Point: Is a Pre-Bid Info Session Required?

3.4 Conduct Sessions with Vendors

3.5 Manage Vendor Q&A via Ariba Message Board



## Step 3 –Tender

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**Definition:** The Tender Overview Section outlines when the Procurement Lead launches the event in Ariba (starting the event cycle time) and confirms receipt of NDAs. The Procurement Lead is responsible at this stage to confirm all event participants, conduct a pre-bid meeting (if required) and manage the Ariba message board.

This section should be used when the Procurement Lead is ready to launch the event in Ariba.

### Step 3 Inputs:

1. Completed Tender Template

### Step 3 Outputs:

1. Signed NDA received from all suppliers participating in the event
2. 100% response rate to supplier questions received through pre-bid meeting and/or Ariba message board

## Step 3 –Tender

### 3.1 Launch Event in Ariba

Once the Procurement Lead has completed building the Ariba Event, they will publish it in order to provide access to bidders.

#### Suppliers' Instructions

The Procurement Lead should ensure that the Ariba tender includes specific guidelines and instructions to clarify how the supplier should complete the tender to maintain consistency across all bids.

All Ariba templates should contain the Ariba help desk contact information to provide suppliers information on how to utilize the Ariba platform.

#### Build, Check and Launch Ariba Event

National Grid uses Ariba as its tender management system to:

- issue tender documents
- manage Tender Queries
- receive tender responses
- manage Tender Clarifications
- storage of event specific documents.

To set up a new Ariba event, please refer to the following User Guide: Ariba - Setting up a new event.

### 3.2 Confirm Receipt of Signed NDAs

As part of Step 2.2 (Select and Customize the Tender Template to fit the Event), the Procurement Lead will incorporate the appropriate NDA into the Ariba tender. After the tender is launched, the Procurement Lead is responsible for confirming that the NDA has been received and signed by all suppliers.

Suppliers will not have access to view bid-specific information until the Procurement Lead has received a signed NDA through Ariba and provides access for the supplier to proceed through the tender. It is required that the Procurement Lead follows this process to ensure data security.

### 3.3 Confirm Event Participants

As part of Step 2.2, it is recommended that the Procurement Lead should build in a question or method to capture event participation response.

When the event has been launched in Ariba the Procurement Lead will need to do the following in order to engage the level of participation interest in the event:

- log confirmations from suppliers who intend to participate. The Procurement Lead should contact

any potential suppliers who haven't responded to check if they've obtained access to the event

- remove suppliers from the Ariba event who confirm they won't be participating.
- Follow up with suppliers who don't provide a timely response.

**Note:** Suppliers who aren't participating should be restricted from having any confidential National Grid access pertaining to that event.

In situations where the quantity of suppliers willing to participate does not meet initial expectations, the Procurement Lead should consult with their stakeholders to reevaluate the bid or approach to procure.

### Decision Point - Is a Pre-Bid Info Session Required?

If the event is particularly complicated, then it may be beneficial to hold a pre-bid info session and site visit to explain the crucial details. This may include:

- an overview of the tender project plan
- an overview of the scope of works
- confirmation of the tender return requirements
- an overview of how the Ariba event is structured
- a walkthrough of the Tender Query process.

Based on the specific event, is there a need to hold a pre bid info session with bidders?

- If yes, go to Conduct Pre-Bid Info Session (3.4)
- If no, skip to Manage Vendor Q&A's through Ariba Message Board (3.5).

### 3.4 Conduct Pre-Bid Info Session with Suppliers

The Procurement Lead should set up and facilitate the pre-bid info sessions with stakeholders and suppliers to answer questions and give clarification

#### Participation Checks

**When conducting a pre-bid session with vendors, the Procurement Lead should consider the following:**

- 1) Pre-bid session can be held as either a conference call or a face-to-face meeting (if possible, face-to-face is preferred).
- 2) All suppliers must be invited to the pre-bid session.
- 3) Pre-bid sessions should be documented. Any additional information suppliers receive at the session, including presentation material, must be sent out via the Ariba message board as a formal Bulletin. It should also be sent to those who couldn't attend. Any questions asked during the pre-bid session should be documented.

## Step 3 –Tender

- 4) It's recommended that site visits and pre-bid sessions are combined. Personal Protective Equipment (PPE) requirements must be assessed and communicated to participants in advance. The Technical Lead is responsible for conducting a site induction before the site visit.

If as a result of the pre-bid session it is determined that changes are needed for the scope of work (SOW) or event details, the Procurement Lead and stakeholders should reassess the bid to make necessary adjustments. New documents with adjustments should be uploaded and provided to suppliers through Ariba.

### 3.5 Manage Vendor Q&A via Ariba Message Board

#### Tender Query Process

During the Tender stage, suppliers may have questions about the tender documents.

#### Receiving Questions

Questions must be raised via the Ariba message board.

**Questions can be categorized as:**

##### 1. Generic

These include queries that:

- aid understanding for all suppliers
- require National Grid to update the original tender documents
- require National Grid to issue additional information, such as site visit confirmation details and deadline extensions.

All suppliers should be made aware of responses to these queries.



This step may involve the transfer of commercially sensitive data when responding to confidential Tender Queries or tender documents.

#### 2. Confidential

These queries are specifically for that supplier's specific design proposal or innovative solution and the response should only go to them.

#### Classifying Questions

If a supplier classifies a question as confidential, the Procurement Lead will assess whether this classification is correct.

If a supplier has classified a question as confidential but you don't believe all the elements are confidential, you should inform them. The supplier should amend and re-submit the question without the confidential elements.

#### Reviewing Question Responses

Before issuing responses, the Procurement Lead must:

- sense check responses to make sure they don't reference suppliers' names and confidential information, and that they're easy to understand. If questions are not deemed confidential, both the question and the answer will be sent out to the entire group of vendors to ensure a fair bidding process.

The Procurement Lead will continue to manage the Ariba message board through the close of the Tender period to ensure necessary clarity is provided to suppliers. The evaluation process will begin once the tender period closes and all tender documents are received in Step 4.1: Verify All Tender Documents Submitted.

## Step 3 –Tender

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### *Step 3 Summary*

By this stage of the process you should have completed the Tender portion of the process and be able to show evidence of:

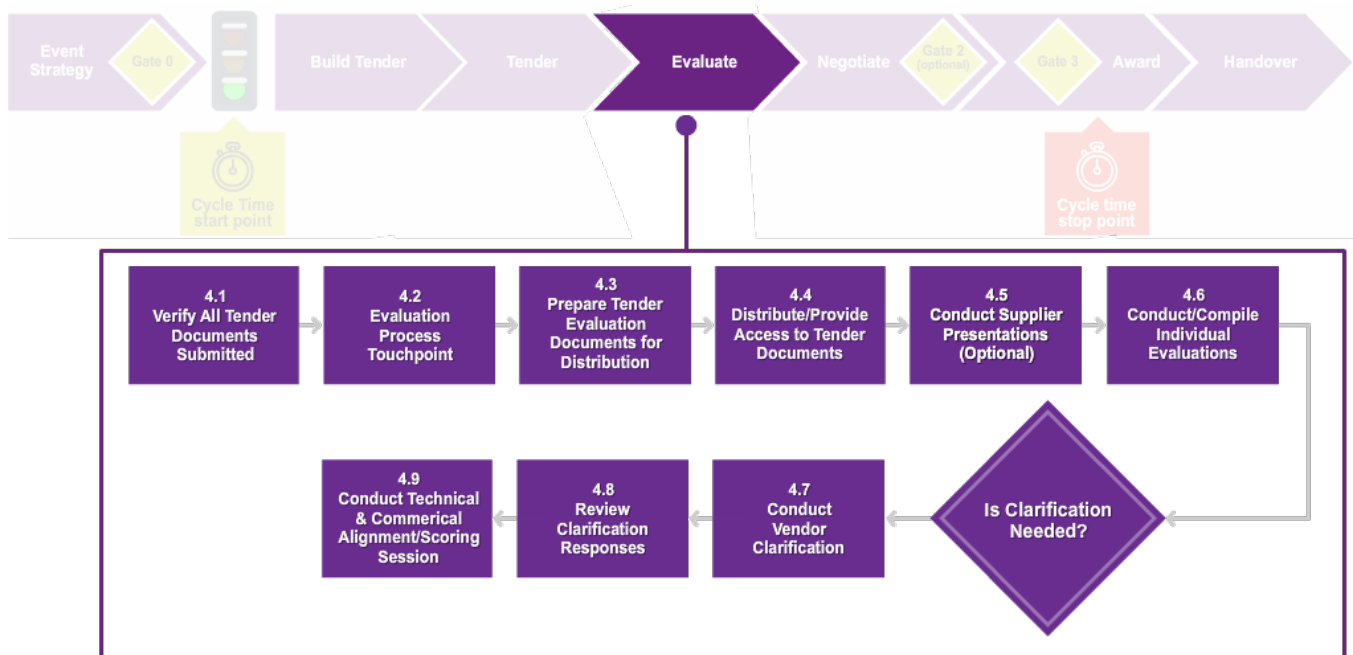
- Signed NDA received from all suppliers participating in the event
- 100% response rate to supplier questions received through Pre-Bid Meeting and/or Ariba Message Board.

## Step 4 – Evaluate

### Step 4 – Evaluate

#### Overview of Evaluate Steps

- 4.1 Verify all Tender Documents Submitted
- 4.2 Evaluation Process Touchpoint
- 4.3 Prepare Tender Evaluation Documents for Distribution
- 4.4 Distribute/Provide Access to Tender Documents
- 4.5 Conduct Supplier Presentation (Optional)
- 4.6 Conduct/Compile Individual Evaluations
- Decision Point: Is Clarification Needed?
- 4.7 Conduct Vendor Clarification
- 4.8 Review Clarification Responses
- 4.9 Conduct Technical and Commercial Alignment/Scoring Session



## Step 4 – Evaluate

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**Definition:** The Evaluate Overview Section outlines when the Procurement Lead verifies that all tender documents have been submitted and begins to evaluate the bids on an individual and project team basis.

The Procurement Lead will begin the Evaluate Phase once all of the materials needed to begin the evaluation process including the scoring portion of the event have been received.

### Step 4 Inputs:

1. Approved evaluation strategy.
2. Tender return documents in an approved format.

### Step 4 Outputs:

1. Full set of documented strengths and weaknesses for each supplier against each evaluation area
2. Completed clarification process
3. Documented moderated scoring

## Step 4 – Evaluate

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### *4.1 Verify All Tender Documents Submitted*

Once the Step 3 Tender period has been closed for supplier bid submittals on the pre-determined date, the Procurement Lead should confirm all supplier bid documentation has been received (Pricing Proposal, execute NDAs, supplier diversity questions are answered, etc.).

#### **Tender Returns Checklist**

Once the tenders have been received, the Procurement Lead must check that:

- all required documents have been submitted
- all attachments are accessible and in an appropriate format.

Initial compliance checks should be completed **within one day of submission**. Each submission should be checked against the Tender Checklist. If there's a genuine error, the supplier must be contacted immediately and asked to respond quickly so the Evaluation stage isn't delayed too much.

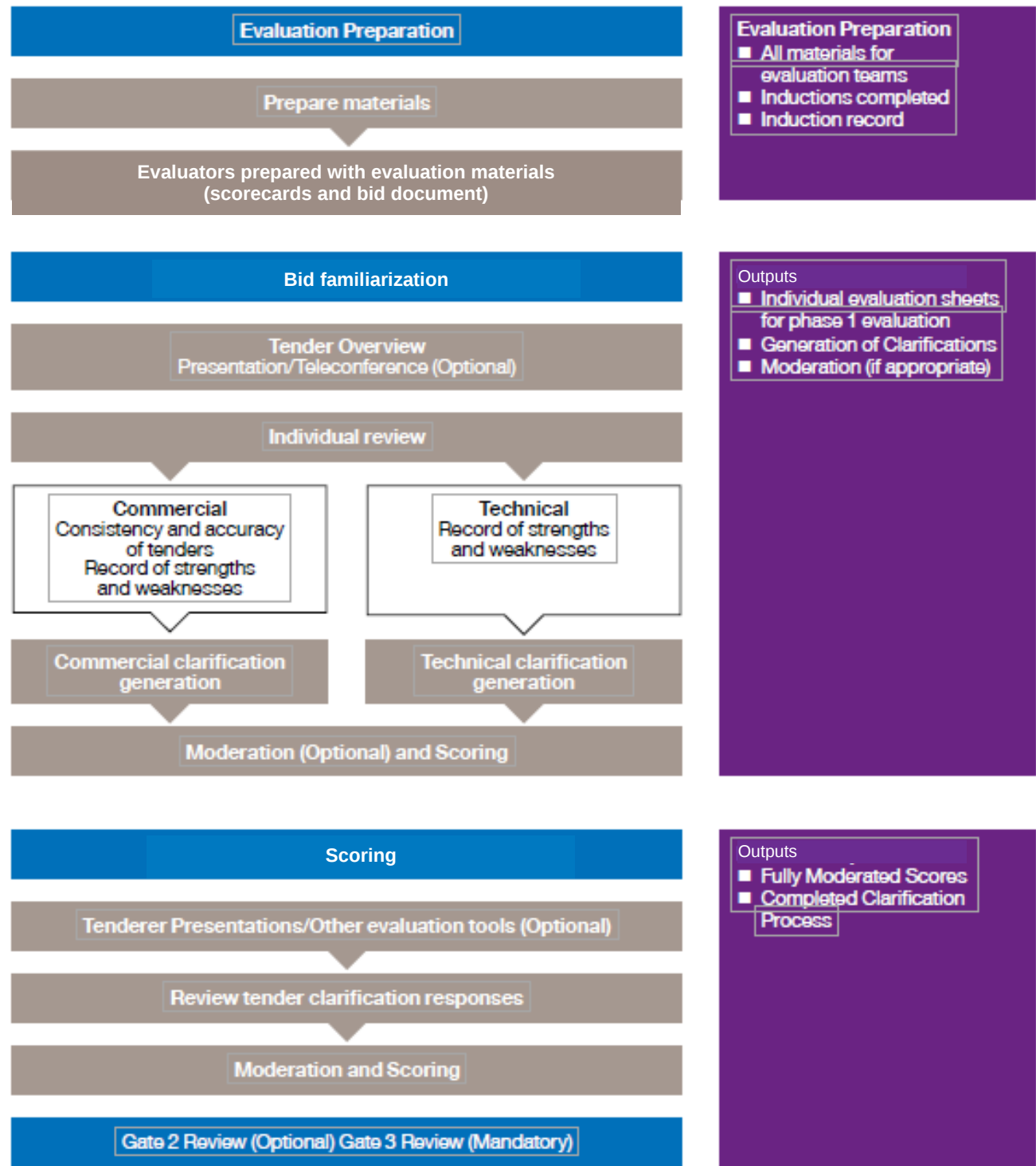
Please note that it's not appropriate to ask for clarification for all compliance issues and you should check individual circumstances with your manager.

If any suppliers are disqualified due to non-compliance, they must be notified immediately.

If you don't remove a supplier for non-compliance, the Tender event could be challenged.

## Step 4 – Evaluate

### Evaluation flow chart



## Step 4 – Evaluate

### 4.2 Evaluation Process Touch Point

The Procurement Lead should work with key stakeholders to determine how Technical and Commercial requirements will be evaluated.

This evaluation preparation involves getting supporting materials ready and running an induction for evaluators. In the beginning phase of evaluation, evaluators become familiar with tenders, forming an initial understanding and recording its relative merits and weaknesses against the Award criteria. In the beginning of phase 2, they agree the scores and record the reasons behind them.

The Evaluation Team should review the evaluation scorecard compiled during Event Strategy Step 1.5 in order to familiarize themselves with the scoring criteria which will be utilized to rank suppliers through the Evaluate phase.

#### Technical Evaluation Options

You should assess the Technical Evaluation strategy against the risk profile and complexity of the purchase requirement. The Technical Evaluation should consider the event-specific requirements and the complexity of the requirement. You should define the Technical Evaluation approach in the Award criteria and disclose it in advance as part of the tender.

The most common methods of Technical Evaluation include:

- limited Technical Evaluation – this is mostly used to procure standard or off-the-shelf items
- technical compliance – this is where a technical submission is assessed against a set of pass/fail criteria. Suppliers who pass the criteria move on to the next stage of the process. This technical compliance approach is most commonly used to assess critical requirements. **Please note:** This must be clearly set out in the tender.
- technical differentiation – in this case, the technical submission is assessed and each answer is awarded a score. The scores can be weighted and the submissions are ranked. This option is most commonly used when the specification is less prescriptive – it allows suppliers to propose innovative solutions. It's also used when there's a wider range of critical success factors to be assessed. Weightings should reflect the importance of the critical success factor. You can also apply the technical differentiation approach with a defined compliance threshold – this produces a pass/fail threshold followed by weighted scoring on the suppliers who passed. **Please note:** This must be clearly set out in the tender.

#### Commercial Evaluation Options

The Commercial Evaluation should consider the event-specific requirements and the complexity of the requirement. You must define the Commercial Evaluation approach in the Award criteria. Two of the most commonly used approaches to Commercial Evaluation are:

- lowest commercial submission – scores are awarded pro-rata, based on the submission with the lowest price
- commercial weighting – you can use this if there is a wider range of commercial variables to consider – examples include project risk, total cost of ownership and Commercial Evaluation models. The different evaluation areas are given scoring methodologies and weightings.

Evaluating the tender responses is critical to the quality of the event. Without an accurate evaluation, you won't select the Most Economically Advantageous Tender (MEAT) and it could lead to a legal challenge.

### 4.3 Prepare Tender Evaluation Documents for Distribution

**Step 1: Download the original tenders to a secure area, such as the Scamp Drive.**

**Step 2: Divide the documents so they meet the Evaluation Team's requirements.**

You should separate commercial and technical tenders. The Technical team should review the technical tenders first so their evaluation isn't biased by the Commercial team's knowledge of commercial standings. In some cases, the entire project team, and not specific individuals, would be involved in the technical and commercial review.

The Procurement Lead should check technical tenders to make sure they don't contain commercial or pricing data.

It may be appropriate for both teams to review the commercial data together later in the process (see section 5.4). The Technical team's point of view would be especially helpful in complex Commercial Evaluations, such as tenders for works (for example, construction or asset replacement).

**Step 3: Upload files to relevant distribution mechanisms,**

When completing this step, you must follow the latest Document Security Policy. There are lots of ways to distribute documents but preferred methods are via a secure, access-controlled SharePoint site.

### 4.4 Distribute/Provide Access to Tender Documents

## Step 4 – Evaluate

Once the evaluation inductions are completed, you can provide access to the tender responses and start the evaluation activity. The Procurement Lead must keep a record of the tender documents issued so they can check they've all been returned at the end of the evaluation. (Documents may not be sent in all cases).

The Procurement Lead should make sure that evaluators are provided with the necessary template documents, which may include the evaluation scorecard. Refer to the Evaluation Scorecard SOP.

They will also need any relevant tender documents to understand the context of what the suppliers were asked to perform.



Evaluation involves sharing suppliers' data with the evaluation team which creates a high risk document security area.

### 4.5 Conduct Supplier Presentations (Optional)

The buyer must define the purpose of the presentation clearly and can use presentations as a separate, formally scored evaluation tool or as a clarification tool. You can also invite suppliers to present on specific areas of their tender submission

If a stakeholder requests a supplier to present their bid and clarify prior to evaluation, set up and facilitate presentations.

#### Tender Overview Teleconferences/Presentations

Suppliers may provide an overview of their submission to the Evaluation Team in a tender overview activity. They can introduce their major technical points, but they can't include any commercial information. The Procurement Lead must carefully consider who will attend.

### 4.6 Conduct/Compile Individual Evaluations

Members of the commercial and technical teams conduct individual evaluations of the bids.

Each evaluator should individually review each tender. This should include the following.

For Commercial and Technical Evaluations:

- individual familiarization with tenders.

For Technical Evaluations:

- record technical strengths and weaknesses

- list points that need clarification from suppliers.

For Commercial Evaluations:

- record strengths and weaknesses
- review proposed amendments to terms and conditions (if permitted)
- check the tender's consistency and accuracy, and that the supplier's formulas are correct. It's the supplier's responsibility to be accurate and any issues should be raised in line with the clarification process
- check whether tender returns are within budget limits. If they exceed them, we recommend that you speak to the agreed governance structure as soon as possible to discuss next steps.

Once individual evaluations are completed, the team completing the technical review will meet to compile individual technical scoring to determine overall technical score to the vendor as well as identifying any questions or additional clarification that may be needed.

### Decision Point - Is Clarification Needed?

If the evaluators have questions about the tender, these questions must be raised in line with the Evaluation strategy in Step 4.7 (Conduct Vendor Clarification. If there is no clarification needed, the Procurement Lead should proceed to Step 4.9 (Conduct Technical & Commercial Alignment Scoring Session).

### 4.7 Conduct Vendor Clarification

The Procurement Lead should collate the evaluators' clarification questions before sending them to suppliers.

Here is some general Tender Clarification guidance:

- the Procurement Lead should check that the clarifications questions are appropriate to send to the suppliers. They can't contain internal commentary, opinion or coaching
- they must also check that clarifications comply with the Evaluation strategy
- only allow suppliers one opportunity to respond to a clarification question or you could end up helping them to improve their response and score, which is not allowed
- clarification questions must be issued via Ariba
- the Procurement Lead must give all suppliers a reasonable length of time – that reflects how much clarification is needed – to respond to questions.

#### Supplier Clarification Presentations (Optional)

Suppliers may choose to respond to clarification questions in a presentation, particularly for more complex clarifications. (Otherwise, via the Ariba message board.)

## Step 4 – Evaluate

Holding presentations is optional and should be done with extreme care and giving all suppliers the same opportunity to present.

### 4.8 Review Clarification Responses

Review both technical and commercial clarifications with the Evaluation Team.

Clarification responses should be given to the relevant Evaluation Team members.

Send out clarification responses in the same way you send out tender responses through the Ariba message board, and make sure you're complying with the latest Document Security Policy. Once evaluators have reviewed the clarification responses, they should update the strengths and weaknesses accordingly on the individual evaluation scorecard.

### 4.9 Conduct Technical & Commercial Alignment Scoring Session

#### Technical and Commercial Cross-over Workshop (Optional)

For some Tender events the Technical and Commercial Evaluation Teams may need to do a joint review. This may raise further clarification questions if the teams identify anomalies between the commercial and technical submissions. Responses to these should be reviewed by the appropriate evaluator.

#### Moderation and Scoring Workshop

During moderation, the Evaluation team members collectively review each tender, collate agreed strengths and weaknesses, and agree a score for each scored section of the evaluation. Each tender's commentary should accurately and consistently refer to the published Award criteria.

The Procurement Lead facilitates and chairs this session. They are also responsible for keeping a record of the moderation and ensuring that the evaluation has a thorough audit trail. (The scorecard is for the audit.)

The Evaluation Team must agree on the scores; they must not be calculated by averages. By having a group evaluation, you should agree on a robust and well-considered score. The Procurement representative should record each supplier's scores on the master score card.



#### Moderation Hints and Tips

How to hold a moderation workshop:

- conduct a face-to-face session with all the Evaluation Team members
- discuss the relative strengths and weaknesses for each scored area of the tender and review them against the Evaluation stage procedure to determine the score
- use 'horizontal' moderation to aid consistency by reviewing each response against the evaluation criteria in parallel. However, the Procurement Lead must make sure that the responses are judged against the evaluation criteria and not just compared to the other responses.

## Step 4 – Evaluate

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### *Step 4 Summary*

By this stage of the process, you should have completed the Evaluate portion of the process and be able to show evidence of:

- all tender documents having been verified and submitted
- individual evaluations conducted/compiled
- responses reviewed
- Commercial/Technical Scoring sessions conducted.

## Step 5 – Negotiate

### Step 5 – Negotiate

#### Overview of Negotiate Steps

5.1 Develop Negotiation Strategy

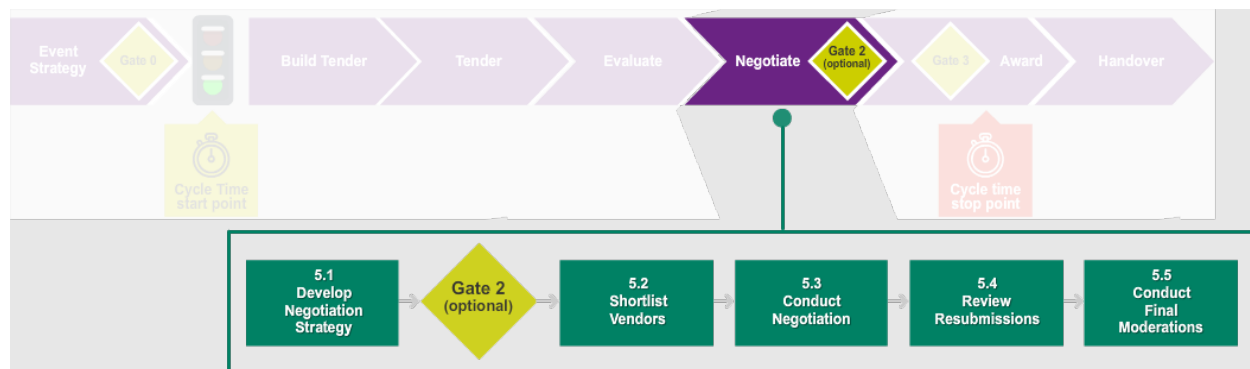
Gate 2 (optional) Shortlisting & Negotiate Approval

5.2 Shortlist Suppliers

5.3 Conduct Negotiation

5.4 Review Resubmissions

5.5 Conduct Final Moderations



## Step 5 – Negotiate

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**Definition:** The objective of this step is to develop and carry out a negotiation strategy that delivers the most value to National Grid, resulting in award recommendation. This involves assessing the suppliers against the Contract Award criteria, conducting negotiations and completing a final moderated scoring exercise.

### Step 5 Inputs:

1. Defined success criteria and project objectives agreed at Event Strategy Approval
2. Current status of the evaluation after Step 4

### Step 5 Outputs:

1. Confirmation of Stakeholder Participation Agreement by Approvers
- ~~1.2.~~ Coordinated and effective execution of a negotiation strategy
- ~~2.3.~~ Evaluation and moderated scoring of suppliers' final resubmissions

## Step 5 – Negotiate

### 5.1 Develop Negotiation Strategy

#### Assemble Negotiation Team

The Project Team, along with the Procurement Lead, will determine if stakeholders or legal representation should be included in the negotiation based on the complexity of the event.

Please note that if a team needs a Legal representative, this should be raised with the Legal team as soon as possible so that you don't have to delay the event while waiting for Legal resource.

#### Define the Current Position

A crucial part of deciding the negotiation strategy is conducting a high-level review of the tenders against the agreed objectives. This will help you understand the type of opportunities and/or challenges the buyer will be addressing during the Negotiation stage.

You should use evaluation materials from Step 4. The Procurement Lead will summarize each proposal to outline where it stands against the objectives defined at Event Strategy Approval. The buyer will give each major evaluation area (such as technical, commercial, terms and conditions etc.) a status and highlight specific risk areas.

#### Decide the Negotiation Points

After reviewing each submission's current status, the next step is to decide the negotiation's major points.

The time you spend on the Negotiation stage will depend on the complexity of your event. The Procurement Lead will decide what needs to be negotiated by assessing the gap between the business requirements, offers and relative strength of National Grid's negotiation position.

#### Gap Analysis and Prioritization of Negotiation Points

You can create a 'best technical or commercial offer' model to use as a benchmark for setting your position in a gap analysis. This is formed by combining the best elements of individual offers into a theoretical best offer.

A gap analysis compares your position on each negotiation point against the supplier's known or expected position. You must define your acceptable and ideal positions, and which negotiation points are a priority for you and which you think will be for suppliers. Where possible these should be grouped into themes. This will help identify potential trades and positions.

The Procurement Lead may also include negotiation points that are separate from the scoring criteria to capture aspects that exceed the stated requirements. Potentially these can be negotiated to improve scores of applicable elements.

This process will help you gain a clear understanding of your boundaries and priorities, and how they correlate to the supplier's position and priorities.

[Refer to Gap Analysis Template](#)

#### Develop Negotiation Strategy

The Procurement Lead should consider how to close the gaps or leverage our position.

The Procurement Lead may research the supplier in news stories, financial assessment, internal knowledge, Technical Lead's knowledge and prior tender engagement. This can help them to decide which arguments will be most effective and which stance to take. They may also find out how the supplier has negotiated in previous events.

You should prioritize negotiating on points in high-value areas where there's a significant gap between your position and the supplier's position, or where there is an opportunity for National Grid to benefit.

For each point, the Procurement Lead needs to identify how to move the supplier to National Grid's desired position.

With the most persuasive listed first, crucial negotiation levers include: emotion, logic, bargain, compromise and accept.

For each point, the Procurement Lead should anticipate and prepare a response to the supplier's counter argument.

You should decide on a negotiation escalation process (but not disclose it to suppliers) so that if negotiations don't proceed as planned there's a way to intervene.

The Procurement Lead must make sure that the planned approach does not materially change the tender requirements.

#### Negotiation Structure

The negotiation's structure should include:

- timescales
- main objectives for each supplier
- how negotiation will be carried out, i.e. face-to-face, online, on the telephone
- how many negotiation rounds are likely to be needed to ensure the most effective outcome.

#### Negotiation Team Preparation

The Procurement Lead should ensure that the Negotiation Team is prepared before starting the negotiation session. Ideally, the same team will negotiate with all suppliers so the process is consistent and team members improve their negotiation skills.

#### Negotiation Packs and Scripts

## Step 5 – Negotiate

When preparing the materials for the Negotiation phase, the Procurement Lead should take into account each supplier's current position, negotiation points and gap analysis.

Warning: you must consider the following principles when producing and presenting negotiation materials:

- you must **NOT** send negotiation materials to suppliers, such as negotiation worksheets, etc. It should be presented to them in the arranged session to structure and guide the discussion
- don't include or present any information that may breach confidentiality
- you must never present any information that reveals or could allow suppliers to discover or calculate another supplier's pricing or bid details. This includes their current tender commercial and Technical Evaluation scores
- treat suppliers equally. You must share new or updated information with every supplier involved in the negotiations. The level of detail you go into should reflect the supplier's position on the topic against the Award criteria
- you must remain consistent with the tender documentation, criteria and processes. You shouldn't introduce new criteria and must take care with changes or concessions that could materially change the requirements. If you make material changes, there's a risk of legal challenge, particularly from unsuccessful suppliers
- the Procurement Lead needs to consider whether any information could give a supplier an unfair advantage. These details should either be removed from the negotiation content or provided to all suppliers
- negotiation materials should be peer reviewed for



Document security control point: you must never send negotiation materials to suppliers.

consistency and accuracy.

If Gate 2 is deemed necessary during the Event Strategy phase, **negotiation materials must have Delegation of Authority (DOA) approval and sign off during Gate 2.**

### Gate 2 – Shortlist and Negotiation Approval (Optional)

Gate 2 is the formal review milestone for the negotiation plan and shortlisting. It's optional depending upon the governance structure you agreed on at Event Strategy Approval.

You can only shortlist suppliers for negotiation if you have specified that you will be doing so in tender communications and provided the shortlisting criteria in the event documents.

If Gate 2 is used, then you should sign off shortlisting and negotiation planning phases at the same time, using the template found on the SSP SharePoint site and logging the Gate approval to Ariba.

If at Gate 2 the team decides that it does not have a sufficient list of shortlisted suppliers, you may need to run the event again.

#### Gate 2 Template



**Formal approval milestone:** shortlisting and negotiation plan – Gate 2.

#### Gate Approval Template

### 5.2 Shortlist Vendors

At this stage in the process, the Procurement Lead has consulted with the Project Team and determined which Suppliers will be included in the Conduct Negotiation Phase and which suppliers will not be included based on discussions in 4.9 (Conduct Technical & Commercial Alignment/ Scoring Section) and 5.1 (Develop Negotiation Strategy).

The Negotiation Team will proceed with conducting the negotiation with suppliers identified to move forward.

### 5.3 Conduct Negotiation

The Negotiation team should run the negotiation in line with the plan, materials and each member's roles and responsibilities (RACI).

A team member should take minutes at the session, specifically recording any additional or updated information released to the suppliers that needs to be disclosed to other suppliers.

Suppliers must not be given negotiation materials. They can be shown negotiation materials in a controlled environment and are allowed to make notes. Therefore, you should allow a reasonable period of time in the session for suppliers to understand and record any relevant information.

The Procurement Lead is responsible for keeping records of actions, positions and internal deliberations.

#### Next Steps

After the session you should give all suppliers an equal and reasonable length of time to respond to the negotiation points and, if necessary, re-submit any content.

#### Multiple Rounds of Negotiation

## Step 5 – Negotiate

If a negotiation is run in multiple rounds, Step 5.1 should be repeated each round to make sure that they're



You must not pass any negotiation materials to suppliers in any circumstances because this significantly increases the chance of document security breaches.

structured and consistent.

### 5.4 Review Resubmissions

Evaluation Team members should review resubmitted information using revised evaluation documents from Step 4, and recording and justifying any adjustments to strengths or weaknesses.

If necessary, they can request an updated tender submission and complete a full evaluation exercise.

### 5.5 Conduct Final Moderations

Once Evaluation Team members have reviewed the resubmission information individually, they should reconvene to review the status of the latest submissions and to re-moderate scores.

The Procurement Lead should update the scoring sheet (developed in Step 4), justifying any changes. When

moderating, the team should follow the guidance provided earlier for joint technical and Commercial Evaluation.

When reviewing the status of each submission they should ask:

- have the revised submissions met or exceeded the initial project objectives or the Negotiation stage objectives as agreed in Step 5.1?
- do we have commercially acceptable submissions that meet the requirements of the relevant sanction or business case?
- have we agreed to acceptable terms and conditions? (The Contract Management team will need to be part of this discussion as the end users of the contract).

If the tender meets the Event Strategy objectives and the Evaluation Team can recommend who they want to award the contract to, you can move onto Step 6.1.

#### When Event Objectives Haven't Been Met

If the Evaluation Team finds they can't recommend who should be awarded the contract they will need to discuss other options.

You should make your manager aware of the situation and the Procurement Lead should look at alternative actions.

**Note:** This is a high-risk area and the Procurement Lead must proceed with caution.

## Step 5 – Negotiate

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### *Step 5 Summary*

By this stage of the process, you should have completed the Negotiate portion of the process and be able to show evidence of:

- a developed Negotiation Strategy
- having utilized Gate 2 if necessary
- shortlisted suppliers
- having conducted negotiations and final moderations.

## Step 6 – Award

### Step 6 – Award

#### Overview of Award Steps

6.1 Prepare Award Recommendation & Gate 3 Pack

Gate 3 Award Approval

6.2 Notification of Contract Award/Regret in Ariba

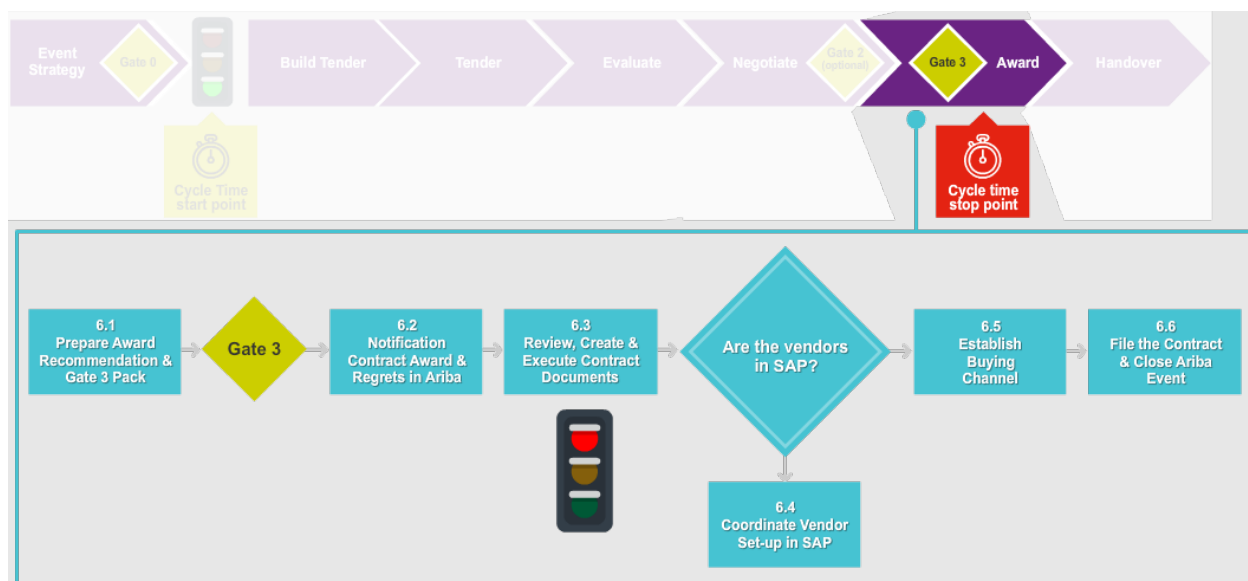
6.3 Review, Create & Execute Contract Documents

Decision Point: Are the Suppliers in SAP?

6.4 Coordinate Supplier Set Up in SAP

6.5 Establish Buying Channel

6.6 File the Contract and Close Ariba Event



## Step 6 – Award

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**Definition:** The main activities when a contract is awarded are to finalize the Award recommendation, obtain approval, notify the successful and unsuccessful suppliers and execute the contract, therefore stopping the event cycle time. The Procurement Lead then proceeds with ensuring vendors are sent up in SAP, establishing a buying channel and filing the contract to close out the event in Ariba.

### Step 6 Inputs:

1. Final moderated Evaluation stage scoring and supporting commentary
2. Award recommendation (for approval at the Gate 3 review)

### Step 6 Outputs:

1. Confirmation of Stakeholder Participation Agreement by Approvers
- ~~1.2.~~ Approved Award recommendation
- ~~2.3.~~ Completed contract/agreement documentation
- ~~3.4.~~ Contract Award confirmed and executed contract/agreement signed.

## Step 6 – Award

### 6.1 Prepare Award Recommendation & Gate 3 Pack

The compliant tender submissions must be ranked based on their Negotiation stage scores to determine the Contract Award recommendation.

It's important that the Procurement Lead now conducts a sense check on the audit trail for the project. The following documentation should be collected and saved in Ariba:

- version-controlled copies of individual evaluators' tender review cards, including amendments from the final Evaluation phase
- compiled scoring sheets, including justification, for each moderation phase
- negotiation materials used during negotiation
- copies of tender submissions and resubmissions
- copies of applicable meeting minutes recorded during the process.

Note: Measures should be taken to ensure encryption and password protection of documents sent to stakeholders.

This is used to prepare the Contract Award



Audit trail documents should be retained in line with the latest Document Security Policy.

recommendation in Step 6.

#### Award Recommendation and Preparation for Approval to Award

The Award recommendation is determined in Step 5 (Negotiate). The next stage is to prepare for the Gate 3/Award Approval review and business governance approval. The Award recommendation should include:

- a summary of the tender prices and, where applicable, total cost of ownership
- a summary of the scores and why the supplier(s) are being proposed for Award recommendation
- any known risks associated with the proposed supplier(s), together with relevant risk mitigation.

Mistakes can be made at this stage of the process, particularly on complex events. To avoid this, it's important to pay attention to detail. This will help make sure that the Award recommendations are based on accurate data.

Note: Refer to Gate 3 Award Recommendation Template.

### Gate 3 Award Approval

Gate 3 approval is a Global Procurement governance requirement to review and approve the award recommendation. It is mandatory for all events.

Gate 3 documents should include the following content:

If a Gate 2 is conducted, the Gate 3 documents should include:

- Negotiation Results
- Benefit Calculation
- Award Recommendation

If a Gate 2 was not conducted, the Gate 3 documentation should include the above as well as:

- RFP Bidder Summary
- Evaluation Summary
- Negotiation Strategy

#### Gate 3 Template



The Gate 3 process is a document security risk area. All Gate 3 documents and correspondence must be in line with the latest Document Security Policy.

#### Gate Approval Template

### 6.2 Notification of Contract Award & Regret in Ariba

You should let suppliers know the shortlisting results within a reasonable timeframe of Gate 3 once an award



Formal Approval Milestone – Contract Award Recommendation and business governance approval

recommendation has been approved.

After the Procurement Lead notifies the winner of the award, the Procurement Lead will then utilize the Ariba message board to notify the remaining suppliers that a winner has been chosen and to thank them for their submission. Additional feedback outside of the Ariba message board should not be provided at this stage. If the supplier contacts the Procurement Lead in regard to why they were not awarded the bid, the Procurement Lead can then provide further discussion while still being cautious of the details being discussed.

In certain circumstances, you can re-engage one or more unsuccessful suppliers (for example, if a shortlisted supplier withdraws from the process at an early stage). This would need to be carefully managed to minimize the risk of legal challenges and agreed on with a Senior Category Manager. You should also consider what stage the procurement process is at (for example, it may be less appropriate if you've already been negotiating for months).

## Step 6 – Award

If a supplier wants more information about why they were unsuccessful, the Procurement Lead (or any Event Team member) must not respond until they've discussed and agreed on the response with a Category Manager.



### Reminder

Make sure you're sending shortlisting responses in accordance with the Document Security Policy.

### 6.3 Review, Create & Execute Contract Documents

#### Creating/Amending an SAP Contract Record

To create/amend a contract record in SAP, you will need to complete a contract proforma, which you will find on the



### SAP record creation – hints and tips

SAP records are routed for approval based on their value. For high-value contracts you should consider arranging a briefing for the SAP approvers, so you can be sure that they have all the information they

Procurement Information HUB.

#### SAP Shopping Carts and Purchase Orders (Where a Contract Document Isn't Required)

When agreed (at the Event Strategy stage) that a contract and/or an SAP contract is/are not required, and that the contract will be confirmed by issuing a purchase order, the Business Function must create and approve shopping carts for each successful supplier. The Procurement Lead will be responsible for ensuring that each shopping cart is processed and that a purchase order is issued to each successful supplier.

**Important Note:** Where a contract is to be executed, a purchase order **must not** be issued to the successful supplier(s) until the contract has been executed and the signed copy has been returned to Procurement.

#### Finalize and Review Contract Documents

The agreement documents will vary, depending on the agreement/contract type and structure. Typical documents include:

- a form of agreement – check that the company name, number, contract start and end dates are included
- conditions of contract
- contract schedules – make sure you've completed the contract schedule details.

If there are several contract schedules – or there is a lot of project-specific information to be included in the contract – you can produce a schedule of documents to be included in the contract. The schedule should contain the document name, revision number and either the date of issue to the supplier or the date of submission by the supplier.

You can issue this schedule of documents to the preferred supplier prior to issuing the final contract to confirm agreement.

Where Tender Bulletins and Tender Clarifications that amend the tender/contract document have been issued during the tender period, it's essential that all the amendments are incorporated in the final contract documentation.

#### Execute Contract or Sign Framework Agreement

Contracts and agreements can be issued for signature if the following statements apply:

- the standstill period has closed and there are no outstanding challenges
- the business governance process is approved and complete
- the content of the contracts have been peer reviewed and checked for accuracy.

**Please note:** Contracts or agreements must be signed first by the suppliers, then by National Grid.

#### Execute Contracts or Agreements Under Deed

A deed is often used for complex and high-value construction contracts.

Seek advice from Legal on whether it's advisable or necessary to execute the contract or agreement under deed.

#### Contracts or Agreements – Issued by Post

Contracts or agreements may be delivered by a recordable traceable method, such as a courier or electronically via email. Procurement Leads may also have the contract signed in person depending on location. The Procurement Lead should call the supplier to advise them of the method of delivery and the expected delivery date/time.

**Important note:** The Procurement Lead must check with the supplier to confirm that their nominated representative has the authority to execute the contract or sign the agreement (particularly if it's to be executed under deed).

### *Decision Point: Are the Suppliers in SAP?*

Once the contract has been executed, the Procurement Lead needs to determine if the suppliers are set up in

## Step 6 – Award

SAP. If the suppliers are not currently set up in SAP, the Procurement Lead should proceed to Step 6.4 (Coordinator Vendor Setup in SAP). If the suppliers are set up in SAP, proceed to step 6.5 (Establish Buying Channel).

### Check SAP for Supplier's Vendor Record

Locate the supplier in SAP, record the vendor number and proceed to creating a SAP contract record.

## 6.4 Coordinate Supplier Set-up in SAP

### Creating a Supplier Record

Where no SAP Supplier Record exists, you'll need to create a new Supplier Record.

In order to create a new Supplier Record, the Procurement Lead must send the supplier the onboarding packet, which the Procurement Lead then sends to Master Data (MD) once completed.

Creating a Supplier Record can be time-consuming, so it's best to kick-start the process as soon as the suppliers have been notified of the event outcome.

## 6.5 Establish Buying Channel

### SAP Shopping Carts and Purchase Orders

When the contract has been executed and a copy of the signed contract has been returned to Procurement, a purchase order will be issued to the successful suppliers (see SAP procedures).

The Business Function will create and approve shopping carts for each successful supplier.

The Procurement Lead will be responsible for making sure that the shopping cart is processed and a purchase order



Once the event is closed the Category Manager should complete and approve the Process Compliance checklist to validate that the event was compliant. The Category Manager should upload the approved checklist into the Ariba and formally close the project.

is issued to each successful supplier.

## 6.6 File the Contract & Close the Ariba Event

Once the contract has been executed and buying channel established, the Procurement Lead will need to file the contract by uploading it to Ariba.

Close the event in Ariba so that there's a log of the award, all message boards are closed, and there can be no further communication or access by suppliers.



Purchase Orders must be issued in accordance with the Document Security Policy.



**Reminder:** Contract administration should be managed in line with the latest Document Security Policy.

## Step 6 – Award

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### *Step 6 Summary*

By this stage of the process you should have completed the Award portion of the process and be able to show evidence of:

- an approved Award recommendation
- a completed contract/agreement documentation
- a Contract Award confirmed and executed contract/agreement signed.

## Step 7 – Handover

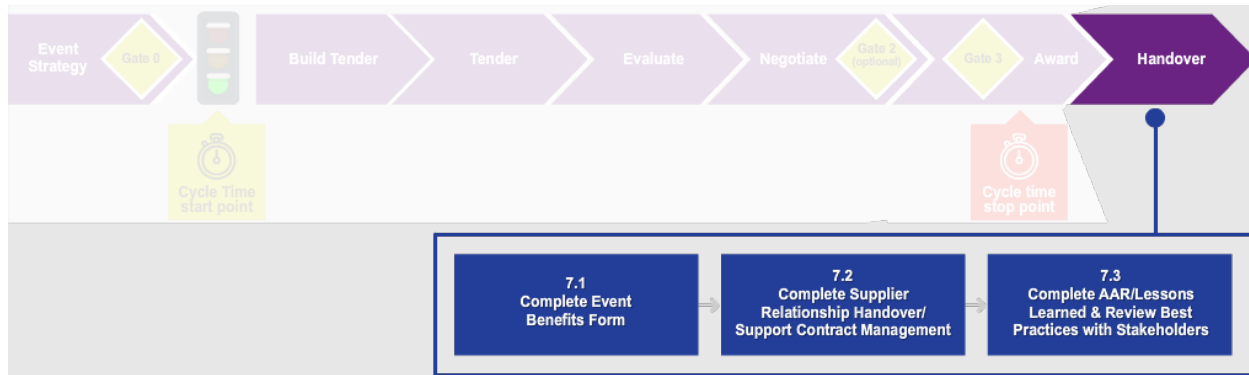
### Step 7 – Handover

#### Overview of Handover Steps

7.1 Complete Events Benefit Form

7.2 Complete Supplier Relationship Handover/Support Contract Management

7.3 Complete After-Action Review (AAR) / Lessons Learned & Review Best Practices with Stakeholder



## Step 7 – Handover

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**Definition:** The SSP contract handover will feed into the contract management process. The Procurement Lead will facilitate the handover from the Event Team to the Contract Manager. The Procurement Lead is responsible for making sure that an effective contract handover takes place. The content of the handover will depend on the complexity of the contract and the involvement of the Contract Manager in the Tender event. This step also includes reviewing lessons learned and processes with stakeholders.

### Step 7 Inputs:

1. Contract documents

### Step 7 Outputs:

1. Tender event (pre-award) lessons learned
2. Handover to the Contract Management Team
3. Completed event benefits form

## Step 7 – Handover

### 7.1 Complete Event Benefits Form

At this point in the process the event team will need to determine and finalize the event benefits or value delivered. To do so the procurement lead should work with the Subject Matter Expert (SME) within their category to complete the Event Benefits form. Please refer to the SME, and Procurement Strategy Team for further instructions related to the benefits realization process

### 7.2 Complete Supplier Relationship Handover/Support Contract Management

#### Prepare the Contract Handover

When preparing the handover, Procurement must make sure that the Contract Manager is aware of any issues that have an impact on compliance during the contract period (such as contract or framework extensions).

The Procurement Lead is responsible for preparing the contract handover and facilitating the handover meeting with the Contract Management team.

The content of the contract handover will depend on the contract but will usually include the following:

- contract scope and main contract terms (including options to extend)
- signed hard copy of the contract (including the pricing information)
- KPI/SLA information (including performance methodology)
- payment/schedule milestones
- SHE (safety) requirements
- primary contacts (supplier and client)
- contract review meeting schedule
- main risks, issues and opportunities
- call-off process (single or multiple-part frameworks)



Make sure the handover complies with the latest Document Security Policy.



The handover must be agreed and signed off by the Contract Manager and Procurement or the Business Function representative before the Contract Management team can progress.

- P2P process outline.

#### Facilitate the Contract Handover Meeting

The Procurement Lead will facilitate the handover to the Contract Manager.

The handover meeting should include (but is not limited to) the following agenda items:

- mobilization, demobilization and transition plan/planning
- risk and issues
- payment/schedule milestones
- [Pricing Breakdown for Service or Materials](#)
- KPIs and SLAs
- main contacts
- future meeting schedule
- initial overview of lessons learned.

After the handover meeting, contract accountability transfers from the Procurement Lead to the Contract Manager.

### [7.3 Change Order and Invoice Resolutions Contract Expenditure verification](#)

[The contract manager will support all transactional activities, including invoice validation and payment query resolution, including reconciling expenditures align to the terms of the awarded contract. This may include ongoing tracking of financial rebates and management of defined price change mechanisms.](#)

[Global Procurement and Shared Services are responsible for looking after and maintaining SAP and contract catalogues. The business users are responsible for receipting invoices and raising purchase orders.](#)

### 7.3.4 Complete AAR/Lessons Learned & Review Best Practices with Stakeholders

The Procurement Lead is responsible for facilitating the after-action review (AAR) and lessons learned with the Event Team and the Contract Manager, to review the outcome of the event and the success factors (these were agreed on in the Event Strategy stage). The review must be carried out as soon as practicable after the Tender event has closed.

As defined in the contract management process, the Contract Manager is responsible for supporting Procurement in undertaking the review. It may be advisable to conduct an AAR during the delivery contract to review and assess whether the success criteria for the

## Step 7 – Handover

event are actually being achieved, so that the appropriate action can be taken where needed. The Contract Manager may ask for Procurement support.

There is no prescribed approach for this activity, but we provide some guidance here.

The main elements of an AAR include asking the following questions:

- what did we plan to do (this is summarized in the Event Strategy stage and Event Strategy Approval)?
- what did we actually do (Gate 3)?
- what/why were there differences?
- what would you do differently next time (lessons learned)?

Document the output of the AAR and circulate it to



### Hints and Tips

We recommend that you assign roles for the AAR, such as the facilitator (who doesn't need to be a member of the Event Team) and the scribe.

participants.

### Recommendations for Process Improvements and Best Practice

The AAR may generate ideas for best practice and/or process improvement. The Procurement Lead is responsible for making sure that these are captured and actioned.

### Process Improvements

If you're proposing any process improvements to the SSP process, you'll need to ask the Process Change Group to review and approve them.

### Best Practice

If you identify something you consider to be best practice, don't keep it to yourself.

If the best practice applies to specific Procurement teams, share it on the team PEX hubs. If it's relevant to the wider Procurement department, category managers and directors should share it across teams at the leadership hub.

### Support the Contract Management Process

Sometimes Global Procurement isn't involved in managing the contract, but even if this is the case, it may still need to be involved and provide support during the contract term.

**Please note:** the Contract Manager will be responsible for updating Procurement in line with the contract management process.

Shown here are the main points from the contract management process.

### Supplier/Contractor Engagement and Contract Kick-Off Meeting

The Procurement Lead will support the Contract Manager at the contract kick-off meeting.

### Contract Delivery

Procurement will maintain the SAP contract values and expiry dates.

If AARs are needed during the contract term, the Procurement Lead will support the Contract Manager as required.

### Contract De-Mobilization, Closure and Transition

The Contract Manager:

- will bring all the parties together and facilitate the demobilization meeting. The Procurement Lead will attend if needed
- will carry out a contract AAR, log lessons learned and communicate them to the Procurement team. This information will feed into the next Tender event and/or the category strategy/profile activities.

### Dispute, Escalation and Exit Strategy

The Contract Manager:

- may seek advice and support on contract disputes
- will share any process improvements to systems and processes (where applicable, these will be incorporated in the SSP).

## Step 7 – Handover

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### *Step 7 Summary*

By this stage of the process you should have completed the Handover portion of the process and be able to show evidence of:

- tender event (pre-award) Lessons Learned/AAR
- handover to the Contract Management Team
- completed event benefits form.