



Programme Area: Energy Storage and Distribution

Project: 2050 Energy Infrastructure Outlook

Title: Request for Proposals

Context:

The 2050 Energy Infrastructure Outlook project provides data on the costs associated with key types of fixed energy infrastructure as well as identifying possible 'grey areas' where technology development could significantly influence cost and performance. The project gathered data on different types of infrastructure associated with electricity, gas, hydrogen and heat. It also looked at infrastructure types: transmission, distribution, storage, conversion and connections. The data itself looked at costs relating to capital, fixed/variable operating and maintenance, abandonment ('infrastructure decommissioning') and repurposing ('altering existing infrastructure').

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Request for Proposal (RfP)



Title of Services for which Proposals are Requested:

**2050 Energy Infrastructure Outlook
(Costs and performance of the UK's fixed energy
infrastructure from 2010-2050)**

Request Issue Date:

3rd May 2011

Deadline for Notification of Intention to Submit a Proposal:

14th June 2011

Closing Date:

Proposals must be received before 4pm on 12th July 2011

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Contents

1.	Introduction and Overview of ETI Requirements	3
1.1.	Introduction to the Energy Technologies Institute.....	3
1.2.	Background to the Project.....	3
1.3.	ETI approach to Health & Safety.....	4
1.4.	Required Outcomes.....	4
1.5.	ETI and State Aid.....	7
1.6.	Project Organisation Structure	7
2.	Commissioning Process and Estimated Timeframes	8
2.1.	Response to Request for Proposal	8
2.2.	Project Shaping and Contract Negotiation	8
2.3.	Project Commissioning and Project Timeframes.....	10
3.	Request for Proposals Process and Terms	11
3.1.	Content and Format of Submissions	11
3.2.	Acceptance, Review and Selection of Proposals	11
3.2.1.	Selection Criteria.....	11
3.2.2.	Selection Process.....	12
3.3.	Important Notices.....	12
4.	Project Funding and Payment.....	15
4.1.	Price and Payment.....	15
5.	Terms and Conditions for Project Contract.....	16
Appendix A	Content and Format of Proposals.....	17
Appendix B	Summary of Terms and Conditions for Project Contract.....	22
Appendix C	Due Diligence Information Requirements	26
Appendix D	Statement of Compliance	29
Appendix E	Non Disclosure Agreement.....	30
Appendix F	Notification of Intention to Bid.....	36
Appendix G	Glossary.....	37

1. Introduction and Overview of ETI Requirements

1.1. Introduction to the Energy Technologies Institute

The Energy Technologies Institute LLP (ETI) is a private organisation formed as an innovative Limited Liability Partnership between international industrial energy companies and the UK government.

Our mission is to accelerate the development, demonstration and eventual commercial deployment of a focused portfolio of energy technologies, which will increase energy efficiency, reduce greenhouse gas emissions and help achieve energy and climate change goals.

We will do this by leveraging the skills, capabilities and market access routes of our members, working with other organisations worldwide to take the most challenging large-scale energy projects to full system demonstration, thereby bridging the gulf between laboratory proven technologies and full scale commercially tested systems. Our projects will also develop knowledge, skills and supply-chains, and will inform the development of regulation, standards and policy. Hence we aim to overcome major barriers, de-risk the future development and shorten the lead times to market for secure, affordable, low-carbon energy systems for power, heat and transport.

Our portfolio includes programmes in areas such as Energy Storage & Distribution, Wind, Marine, Distributed Energy, Transport, Energy Networks, Carbon Capture & Storage and Buildings.

Further information can be found on our web-site at www.energytechnologies.co.uk.

1.2. Background to the Project

By 2050 the UK will need to be meeting stringent targets requiring an 80% reduction in CO₂ emissions, whilst maintaining a sufficient supply of energy. In order to appropriately assess the opportunities for meeting these targets it is necessary to understand, amongst other things, the costs and performance of the energy infrastructure that will carry energy from where it is generated to where it is consumed.

The targets are challenging and with the power sector expected to bear no small amount of the burden of reducing CO₂ emissions, whilst, at the same time, needing to meet an anticipated increase in demand, maximising efficiency (in terms of both cost and energy) is crucial. This includes maximising the efficiency of the fixed infrastructure that sits between the generation plant (such as wind turbines or thermal power stations) and the various points of demand within the UK's energy system (such as domestic, commercial and industrial buildings). Whilst the majority of this fixed infrastructure is currently for electricity or gas, this Project will have a more expansive scope and also consider hydrogen and heat infrastructure.

This Project will provide data on the costs and performance associated with key types of fixed energy infrastructure. The intention being for this data to subsequently be used to assess the relative merits of different infrastructure options; given different energy generation and demand scenarios. Infrastructure can have a significant affect on the overall cost and efficiency of an energy system, so the availability of this data will enable more accurate analysis of the overall energy system as well as specific sub-sets of it.

The high cost and long life of energy infrastructure means that decisions made now will have impacts both in 2050 and beyond. It is important then that those decisions

are as well informed as possible. Therefore, the ability for the data produced by this Project to be used to undertake optimisation analysis will be extremely beneficial.

The timing is opportune as over the course of the next 40 years a significant proportion of the UK's fixed infrastructure will need upgrading or replacing. Having this data will allow the level of investment in different types of infrastructure and associated energy system components to be properly evaluated.

1.3. ETI approach to Health & Safety

The health and safety of those who may be affected by ETI projects is of paramount importance to the ETI. The ETI expects those who receive ETI funding to demonstrate a commitment to best practice in health, safety and environmental management as well as demonstrating that legal requirements are met.

The ETI expects that:-

- all Respondents will demonstrate their approach to health, safety and environmental matters throughout any Proposal to the ETI (see also Appendix A Section 7);
- any successful Participant(s) to work with the ETI throughout any ETI project to assure the ETI that health, safety and environmental risks are being managed appropriately; and
- all successful Project Organisations will have the obligation and freedom to raise health, safety and environmental concerns throughout the Project, including in relation to Project requirements that create recognisable risks at any time.

1.4. Required Outcomes

This Project will deliver data for the UK on different types of fixed energy infrastructure from now until 2050. The cost and performance data will enable evaluation of different energy scenarios as well as allow for the option of undertaking optimisation analysis.

The Project will gather cost and performance data on different types of infrastructure associated with specific energy vectors. The energy vectors under consideration are:

- *Electricity*
- *Gas*
- *Hydrogen*
- *Heat*

The infrastructure types under consideration are transmission, distribution, storage, conversions and connections. These are generic means for describing key elements of different types of fixed energy infrastructure; the intention being to allow the comparisons of interest to be made between the different types of infrastructure. As such, the cost and performance data for each should account for all aspects of that element of the particular type of infrastructure. For example, gas transmission would include the piping as well as compressors for maintaining line pressure, whilst electricity conversions would include sub-stations and the connections to and from them. The data of interest relating to the different infrastructure types is described below:

- *Transmission* – data is required on a per km basis, for different ranges of voltage level for electricity transmission (specifically the AC and onshore and offshore HVDC voltage ranges shown in Table 1) and different pipe sizes for gas and hydrogen transmission (i.e. 16”, 20”, 24”, 26”, 28”, 30”, 32”, 34” and 36” piping). It is not expected that heat will be transmitted over significant distances, so heat is excluded from the transmission requirements.
- *Distribution* – as with transmission, data is required on a per km basis, for different ranges of voltage level for electricity distribution (i.e. 33-6.6kV and 400-230V), different pressures for gas and hydrogen distribution (i.e. Intermediate, Medium and Low Pressure piping) and different temperatures of heat distribution (i.e. using hot water at 120°C, 70°C and 50°C). For heat this should also include data for the return piping and associated infrastructure.
- *Storage* – data is required for all four aforementioned types of energy vector. For electricity, pumped hydro or Compressed Air Energy Storage (CAES) should be used as the reference for transmission scale storage and flow batteries or utility scale batteries for distribution level storage. Data should refer to typical onshore storage for gas and the equivalent storage for hydrogen as well. In addition data for underground salt cavern offshore storage should be included for both gas and hydrogen. For heat only large scale underground thermal storage is relevant. The data should not reference any energy storage below distribution scale, e.g. end-user storage.
- *Conversions* – this refers to conversion from one type of an energy vector to another type of the same energy vector, for example, from one voltage to another (in the case of electricity) or from one temperature to another (in the case of heat). It should be quoted on a per conversion basis. For electricity this should include conversions between the different transmission and distribution voltage ranges described above and in Table 1. For gas and hydrogen this should include conversions between transmission, intermediate, medium and low pressure piping. Whilst for heat this should include conversions between hot water at 120°C, 70°C and 50°C.
- *Connections* – data is required for connections to, for example, residential and commercial office buildings on a per connection basis and an average should be assumed for each type. For electricity the types would be residential, commercial office, industrial and vehicle recharging. For gas and hydrogen it would be residential, commercial office, industrial, vehicle refuelling stations and power generation. Whilst for heat only commercial office and residential are required.

AC	400-132kV
	132-33kV
Offshore HVDC	>400kV
	400-200kV
	<200kV
Onshore HVDC	>400kV
	400-200kV
	<200kV

Table 1 - Voltage level ranges to be considered for electricity transmission infrastructure

In terms of the data itself, parameters are required that will allow evaluation of cost and performance. All costs are required to be in GBP (pounds sterling) in real terms relative to 2010. The data parameters of interest are:

- *Capital costs*
- *Fixed operating and maintenance costs*
- *Variable operating and maintenance costs*
- *Abandonment costs* – this would include the cost of decommissioning the infrastructure
- *Repurposing costs* – data should refer to the cost of altering infrastructure already in place to carry another energy vector or in some cases for transporting CO₂ as a form of waste. Types of repurposing for gas infrastructure are: to hydrogen and CO₂ for transmission piping and storage; to hydrogen and heat for distribution piping and connections to residential and commercial office; and to hydrogen for conversions and connections to industrial sites, vehicle refuelling and power generation. Types of repurposing for hydrogen infrastructure are: to gas and CO₂ for transmission piping and storage; to gas and heat for distribution piping and connections to residential and commercial office; and to gas for conversions and connections to industrial sites, vehicle refuelling and power generation. Types of repurposing for heat infrastructure are: to gas and hydrogen for distribution piping and for connections to residential and commercial offices; and to CO₂ for storage. Electricity infrastructure would be excluded from repurposing.
- *Efficiency* – this data would be a measure of the energy in versus energy out: on a per km basis for transmission and distribution; on a per conversion basis for all conversion types; and on a per connection basis for the different connection types.
- *Capacity* – data is required for the different infrastructure types on the same basis as described above (i.e. per km conversion and connection)

The degree to which the above parameters can change due to the impact of certain variations will also be captured by this Project. The variations in question are:

- *Time* – this will provide the variation in the above parameters every 5 years from 2010 – 2050, i.e. 2010 (historic), 2015, 2020, 2025, 2030, 2035, 2040, 2045 and 2050. As noted above, all cost data will be in real terms relative to 2010.
- *Distance or scale* – will provide a measure of the variation in the parameters as a result of distance or scale. A variation in terms of distance is relevant only for transmission and distribution infrastructure, whilst a variation in terms of scale is only relevant for storage. If appropriate, scaling factors are sufficient to represent these variations. Variations to conversions and connections are excluded from this.
- *Overall volume of deployment* – the variation in the parameters in relation to the level of overall deployment of the infrastructure, e.g. the variation in cost through economies of scale.
- *UK region* – how the parameters would vary within different parts of the UK. Twelve onshore regions are specified (East, East Midlands, London, North East, North West, Northern Ireland, Scotland, South East, South West, Wales, West Midlands and Yorkshire & Humber) as well as nine offshore regions for transmission (Channel Islands, Dogger Bank, East Scotland, Hebrides, Irish Sea, Lundy, Norfolk, Pentland, Shetlands) and two regions for offshore storage (North Sea and Humber).

1.5. ETI and State Aid

Funding from the ETI for this Project may constitute state aid. The ETI has a specific state aid clearance from the European Commission. In relation to their Proposals, Respondents should note:

- Further information may be required to support the specific state aid requirements of any Proposal during the procurement process;
- Successful Respondent(s) will be required to provide full transparency of costs throughout the Project to ensure both the Participant(s) and the ETI comply with EU state aid law;
- Participants will need to agree to certain contractual obligations related to the state aid requirements including the duration of Project records and obligations to return ETI funding in certain exceptional circumstances.

1.6. Project Organisation Structure

It is possible that more than one organisation/entity will be needed to work together in order to provide all the necessary knowledge, skills, experience and inputs to complete the Project.

These organisations may choose either:

- To form a Consortium, contracted with the ETI, governed by its own Consortium Agreement (drawn up by the Consortium and subject to approval by the ETI) and led by a “Lead Coordinator” to manage the Project and act as primary interface with the ETI (each Consortium Member may have Subcontractors); or
- To form sub-contracts between themselves and one of their number who shall act as “Prime Contractor”. The Prime Contractor shall form a contract with the ETI, with the other organisations being Subcontractors. The Prime Contractor shall manage the Project and act as primary interface with the ETI.

The ETI has a strong preference for the contracting structure to be based on the Prime Contractor arrangement. However, in both cases there must be a single organisation (Lead Coordinator or Prime Contractor) leading and acting as the primary interface with the ETI. This organisation shall, subject to the agreement of all parties, appoint a Project Manager to lead and coordinate all activities of the Project Participants, and to liaise regularly with the ETI’s Programme Manager to whom he/she is accountable on behalf of the Participants. This organisation shall also act as the Respondent for the purposes of this Request for Proposals. Under either contracting arrangement, it is critical that the Lead Coordinator or Prime Contractor, as appropriate, is sufficiently empowered to lead the Project and accept full accountability for delivery to the ETI.

In the case of the first option (Consortium), in which there is no natural hierarchy, bidders are required to fully explain in their Proposal the agreed principles of their Consortium Agreement.

The viability and strength of the Project governance model will be a Proposal assessment criterion.

2. Commissioning Process and Estimated Timeframes

2.1. Response to Request for Proposal

A ten week period has been allowed for Respondents to provide a Proposal according to the structure set out in Appendix A and other components of the Submission set out in Section 3.1.

Respondents are required to enter into a Non Disclosure Agreement (NDA) with the ETI before submitting their Proposal. The form of NDA is provided in Appendix E. A standalone copy for signature is available with this RfP on the ETI's website¹. Signed NDAs, together with formal notification of the intention to bid (in the form provided in Appendix F), should be returned to the ETI at latest by 14th June 2011. Respondents are, however, encouraged to return the signed NDA as soon as possible, as on return of the signed NDA, the ETI will send out the full draft Project Contract (see also Appendix B for a summary of contract terms and Appendix D in relation to the Statement of Compliance). The NDA must be signed by the Prime Contractor or in the case of a Consortium, each organisation forming part of the Consortium. In the latter case the NDA may be executed in counterparts with separate copies executed on behalf of each organisation.

Respondents are encouraged to seek advice from the ETI to ensure full understanding of ETI requirements.

Any advice or clarifications of ETI requirements requested by and provided to any Respondent will be made available to all Respondents to ensure parity of information. Respondents should consider presenting requests for advice and clarifications in a way that the ETI can respond to all Respondents without comprising bidders' confidential information.

Following the closing date for submissions of Proposals, the ETI will convene a Selection Panel to recommend which Respondent(s) should proceed to the Project Shaping and Contract Negotiation Phase of the Commissioning Process (see Section 2.2) based on the Selection Criteria (see Section 3.2). Respondents may be requested to make a presentation to the ETI and the Selection Panel to support information provided through this Request for Proposal.

2.2. Project Shaping and Contract Negotiation

Following selection, the ETI will invite a preferred Respondent (or Respondents) to enter into a phase of project shaping and contract negotiations. An overall period of 14 weeks has been allowed for this phase. See the tables in 2.3 for further details relating to anticipated dates.

The Project Shaping and Contract Negotiation Phase will include the following activities (as required and dependent on the level of detail provided in the Respondent's proposal):

¹ www.energytechnologies.co.uk/Home/Technology-Programmes/Requests_for_Proposals_copy1.aspx

- a) Negotiation and agreement of the detailed commercial offer;
- b) Detailing of the proposed technical programme, including definition of deliverables and acceptance criteria;
- c) Detailing and agreement of Stage Gates, where Project performance, outcomes and the business case are critically reviewed and decisions taken on whether to proceed with the Project;
- d) Detailing and due diligence relating to the breakdown of costs of the Project;
- e) Further intellectual property due diligence;
- f) Other due diligence activities as required: refer to Appendix C for further details;
- g) Negotiation and agreement of outstanding contractual issues;
- h) Agreement (and approval by the ETI) to terms of other key contractual arrangements (eg Sub-contracts, Consortium Agreement);
- i) Gaining all necessary Respondent and ETI approvals to undertake the Project; and
- j) Any further information or assessment that may be necessary to meet state aid requirements.

2.3. Project Commissioning and Project Timeframes

The following tables outline the anticipated schedule for the Commissioning Process for this Project. They also include anticipated dates when Project resources will be required to attend Project shaping and contract negotiation meetings with the ETI.

The timing and the sequence of events resulting from this Request for Proposals may vary and shall ultimately be determined by the ETI.

Request for Proposal and Selection	Anticipated Date(s)
Issue of Request for Proposal	3 rd May 2011
Deadline for submitting intention to submit a Proposal (together with return of signed Non-Disclosure Agreement)	14 th June 2011
Closing date for submission of Proposal	12 th July 2011
Preferred Respondent(s) Notified	11 th August 2011

Project Shaping and Contract Negotiations	Anticipated Date(s)
Appropriate resources required at the following meetings:	
Total duration for Project Shaping and Contract Negotiation Phase	14 weeks
Contract negotiation meeting 1	2 nd September 2011
Contract negotiation meeting 2	30 th September 2011
Contract negotiation meeting 3	28 th October 2011
Contract negotiation meeting 4	11 th November 2011

Project Start	Anticipated Date(s)
Project Contract signature target date	11 th December 2011
Project start	9 th January 2012

3. Request for Proposals Process and Terms

3.1. Content and Format of Submissions

Interested organisations are required to make a collective Submission through their nominated Respondent as described in Section 1.6 above. The Submission shall comprise five components.

1. Detailed Proposal, arranged according to the structure set out in Appendix A. The content must clearly demonstrate how the Prime Contractor/Consortium will meet the requirements and criteria set out in Sections 1 to 4 of this Request for Proposal. The Proposal must be written in a succinct manner and must not include imprecise statements, generalities or repetition. The Proposal must be easily readable with appropriate font sizes (11pt or larger), margins, etc, and **shall not exceed a maximum of 20 pages.**
2. Supporting information as specifically set out in Appendix A.
3. Risk Register, as described in Appendix A, Section 6.
4. Due-diligence information as set out in Appendix C;
5. Statement of Compliance and, if appropriate, supporting information, confirming the ability to deliver the Required Outcomes of the Project (as described in section 1.4 of this Request for Proposal) and compliance with or identifying exceptions to the contractual requirements, as set out in Appendix D. This must be signed by the Respondent: if a Consortium structure is proposed, every member organisation of the Consortium must provide a separate Statement of Compliance.

Additional information (such as organisational brochures, etc) may be provided to accompany the Submission, but such additional information will not be taken into account when reviewing Proposals.

The Submission shall consist of **three (3) hard copies, with each component separately bound, and one (1) electronic copy.** The latter shall be provided in both PDF and Microsoft Word formats.

3.2. Acceptance, Review and Selection of Proposals

3.2.1. Selection Criteria

Proposals will be reviewed and judged primarily against the criteria listed below, and the supporting evidence supplied. Failure to meet minimum standards in any criterion may result in the ETI rejecting a Proposal.

- The knowledge and capability of the Project team to address the key issues:
 - Availability of key staff (especially the key role of Project Manager) as presented in their CVs;
 - In-depth knowledge of all of the relevant types of energy infrastructure described in the required Project outcomes in section 1.4;
 - Understanding of the cost and performance factors associated with the aforementioned energy vectors and infrastructure types;
 - Understanding of the energy infrastructure landscape in the UK and ability to account for regional variations

- Capability to assess the potential of emerging and incumbent energy infrastructure markets in the UK
- Capability in systems design and analysis, including model building and economics.
- Capability to deliver the required data in an accessible form
- Completeness of information content, structure and quality of the Proposal (against the areas listed in Appendix A)
- Project approach, organisation and plan, including proposed management of specific risks and issues and if relevant, the strength of the Consortium or Subcontractor participants engaged in the Project
- Gantt chart and suitable payment milestones (if appropriate).
- Record and ability in quality, timely and on-budget delivery
- Compliance with terms and conditions, including any intellectual property issues (such as acceptance of ETI IP terms, or the existence of any IP issues which may affect the ability to carry out the Project and exploit the results).
- Value for money for the ETI and confidence in achieving outcomes versus price.

The ETI at its discretion may request further clarification of a Proposal, and may reject any Proposal which is unclear.

3.2.2. Selection Process

All Proposals will be evaluated by the ETI against the Selection Criteria.

As part of its evaluation process, in addition to ETI staff, the ETI may convene a selection panel, comprising experts selected by the ETI to provide the necessary expertise to consider the technical, commercial, legal and financial aspects of each bid. This may include experts drawn from ETI Members and third parties.

As part of the Project Shaping and Contract Negotiation Phase, Respondents may be required to provide a Final Detailed Offer. In such a case, the ETI may convene a second selection panel and the Final Detailed Offer(s) will be reviewed against the Selection Criteria.

3.3. Important Notices

- a. The ETI at its discretion may request clarification of a Proposal, and may reject any Proposal which is unclear.
- b. Neither the issue of any documentation in the Commissioning Process nor any of the information presented in it should be regarded as a commitment or representation on the part of the ETI or any other person to enter into a contractual arrangement. The Request for Proposals is not an agreement to purchase goods or services, and the ETI is not bound to enter into any contract with the Respondent. By responding to this Request for Proposals, the Respondent does not commit itself to entering into a contract with the ETI.
- c. All decisions made by the ETI relating to the acceptance, review and selection or otherwise of Proposals are final.
- d. All documents, including Proposals, submitted to the ETI become the property of the ETI. They will be received and held in confidence by the ETI, subject to the terms of an executed Non Disclosure Agreement in the form set out in Appendix

- E. No part of a Proposal, or documents provided by Respondents, shall be returned.
- e. The ETI reserves the right to (i) change the basis of, or the procedures for, the Commissioning Process, including the timetable or Closing Date, (ii) make modifications to, or alter any of the information within, the Request for Proposals at any time until the execution of the Project Contract, (iii) reject any or all of the Proposal received, and (iv) not invite any Respondent to proceed further. In cases (i) and (ii) the ETI shall provide a minimum of five working days written notice.
 - f. Neither the ETI nor any of its agents or advisers accepts any liability or responsibility for the accuracy, adequacy or completeness of any of the information provided or any opinions contained in this Request for Proposals or of any other information made available during the Commissioning Process. No representation or warranty, express or implied, is or will be given by the ETI or any of its agents or advisers with respect to such information provided or opinion given therein. Any liability is thereby expressly disclaimed.
 - g. Respondents must assess the information and terms contained in this Request for Proposals independently, having taken professional advice if necessary. The Respondent will be deemed to have examined all the documents enclosed with this Request for Proposals and by its own independent observations and enquiries will be held to have fully informed itself as to the nature and extent of the requirements of the Request for Proposals. The Respondent must rely on its own enquiries and on the terms and conditions contained in any agreement, when and if finally executed, subject to such limitations and restrictions as may be specified therein.
 - h. Respondents shall be wholly responsible for the costs they incur in the preparation and submission of their responses to the Request for Proposals. The ETI shall not be responsible for, and shall not pay, any costs and expenses which may be incurred by the Respondent in connection with its participation in the Request for Proposals process, including but not limited to any costs or expenses incurred up to the execution of the Project Contract.
 - i. The ETI may, at its discretion, shortlist Respondents for the next phase of the Commissioning Process. The ETI does not undertake to accept the lowest bid or to accept part or all of any Proposal and the acknowledgement of receipt of any Proposal shall not constitute any actual or implied agreement between the ETI and the Respondent.
 - j. The submission of a Proposal will confirm acceptance of the foregoing provisions by the Respondent without qualification. Any attempt to qualify any of the foregoing provisions in this Section 3.3, either expressly or impliedly, may result in a Respondent being disqualified.
 - k. The copyright in the documentation and any other materials supplied by the ETI and/or its advisers in this Commissioning Process, in whatever format, belongs to the ETI or its appointed advisers. Such documentation and materials may not, either in whole or in part, be copied, reproduced, distributed or otherwise made available to any other third party or used without the prior written consent of the ETI, except in relation to the preparation of the Proposal in the course of the Commissioning Process. All documentation supplied by the ETI in relation to this Request for Proposals process must be returned on demand, without any copies being retained by the Respondent.

- I. This Request for Proposals, and any dispute or claim arising out of or in connection with it (including any dispute or claim relating to non-contractual obligations), shall be governed by and construed in all respects in accordance with the laws of England and Wales and the parties agree that the Courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with this document (including any non-contractual disputes or claims).

4. Project Funding and Payment

4.1. Price and Payment

Any funding to be paid by the ETI for this Project will be paid on a “**fixed price**” **basis**. The Project Contract will include defined deliverables, with acceptance criteria, and defined Payment Milestones by which one or more deliverables will have been completed. Payments will be made against each defined Payment Milestone, subject to ETI acceptance of the Milestone Completion Report. Unless otherwise agreed as part of a formal contract variation process, the ETI shall not be liable for any payments above the maximum stated in the Project Contract.

Further information is contained in the Terms and Conditions contained in Appendix B.

5. Terms and Conditions for Project Contract

The Project will be governed by a Project Contract. A summary of the key terms and conditions of the Project Contract are included in Appendix B of this RfP, for information only. This Project Contract shall incorporate and/or have due regard to the information in this RfP, the selected Respondent's Submission and other information drawn up and agreed during the Project Shaping and Contract Negotiation Phase of the Commissioning Process.

As indicated in Section 2.1, Respondents are invited to submit a notification of their intention to bid in the form included at appendix F of this RfP, together with a signed non-disclosure agreement in the form included at Appendix E of this RfP. On receipt of the properly executed non-disclosure agreement, the ETI will release the full terms and conditions of the draft Project Contract to the Respondent.

The Respondents are required to confirm their acceptance of (or identify any exceptions to) the terms and conditions of the draft Project Contract in the Statement of Compliance (see Appendix D).

Any third party funding agreements and, dependent on the selected Project structure, the Consortium Agreement between the Consortium Members and/or key subcontracts will require review and approval by the ETI prior to signature of the Project Contract with the ETI.

Appendix A Content and Format of Proposals

1. **Executive Summary** *[maximum 1 page]*

A summary of the Proposal, describing briefly:

- The organisation(s) undertaking the work
- Summary of the technical approach and **key** deliverables
- Confirmation that the proposal will be able to deliver the Required Outcomes as described in section 1.4 of the Request for Proposals and/or brief summary of **key** exceptions/deviations
- Duration of key activities
- Fixed Price.

2. **Background to Proposed Participants** *[typically 2 pages per organisation]*

The Respondent should provide a brief description of each organisation involved, including:

- Key skills, capabilities, knowledge, experience and previous track record in the area (technical, commercial and project management, including any UK-specific issues such as technology applicability to UK systems, UK industry practice, UK market/industry knowledge, etc)
- Key staff members involved (including designated Project Manager), with the amount of each individual's time which will be dedicated to the Project, and detailing their experience – with CVs included in an Appendix (maximum 2 pages per individual)
- Alternate resources available to be deployed in the event that the above key staff members become unavailable
- Relevant quality, health, safety and environment management systems
- Any Subcontractors

The Respondent should identify in their Proposal any anticipated potential issues or difficulties in executing subcontracts (as appropriate).

3. **Programme of Work** *[typically 4-7 pages]*

The Respondent should provide a summary of the overall approach to delivery of the Required Outcomes of the Project (as described in section 1.4 of the Request for Proposals), and a Task-by-Task breakdown of the proposed work, identifying for each Task:

- the Task leader
- other Participants involved
- key dependencies
- the technical approach (including use of any specific methodologies, techniques or tools)
- Task objectives
- deliverables, including for each deliverable a specification (e.g. quality, appearance, scope, function and purpose as appropriate) and proposed Acceptance Criteria

The Respondent should be specific about the activities within the Task, e.g. including test/simulation matrices or stating a number of tests/simulations

The description of the tasks should be in sufficient detail for someone familiar with the field to understand the proposed technical approach.

Any issues or assumptions in defining the programme or schedule (e.g. inputs required from the ETI or other projects) should be explicitly stated.

A specific project management Task (or Tasks) should be identified describing all the activities in this area for the Project scope (e.g. regular meetings, reporting, Stage Gates etc). **Note that throughout Project delivery the ETI will require reports of monthly progress with supporting financial data, reports to substantiate completion of each milestone, etc.** If appropriate, a work flow diagram should be provided to illustrate the relationships between Tasks.

Any relevant activities related to but not included within this Project and the relationships with these activities, should also be described.

4. **Deliverables and Payment Milestones** *[typically 1 page]*

Following the detailed specifications of each deliverable in the previous section, a summary table should be provided here listing all the Project Payment Milestones (i.e. key points in the Project where one or more Deliverables will have been provided and payment is requested from the ETI), and their constituent deliverables, with due dates for each deliverable and Payment Milestone.

5. **Project Schedule** *[typically 1 page]*

The Respondent should provide a time schedule for the Project (e.g. in the form of a Gantt chart) showing the main Work Packages, Project stages and main Tasks within each Work Package and stage. This should clearly identify:

- Task durations and dependencies (including any inputs required from the ETI or other parties and any other external dependencies)
- Project Deliverables
- Payment Milestones and other relevant milestones
- Project Stage Gates, Design Reviews and other review points.

6. **Risk Management** *[typically 1 page including risk register]*

The Respondent should describe the proposed Risk Management Strategy (i.e. how risks to the successful delivery of the Project will be identified and managed throughout the Project). They should also separately provide a Risk Register as an appendix, identifying the key challenges, risks (including any assumptions or dependencies identified earlier), issues and opportunities which may affect the successful delivery of the Project outcomes and identifying planned activities to address / mitigate each item.

Whilst not being prescriptive about the style and format of the Risk Register, it is expected that it will:

- a) Show clear evidence of triage into: those risks which are so serious in terms of frequency and impact that they need to be kept under review by the Project leadership (and regularly shared with the ETI); those risks that are sufficiently serious that they need to be managed within the Project team; and those risks which have been recognised but which are not judged as material;

- b) Identify the causes of the risk and the likelihood of them occurring during the Project;
- c) Identify the consequences of the risk and the scale of impact on Project delivery and key stakeholders;
- d) Identify the degree of knowledge or uncertainty about the risk;
- e) Identify who is the risk (or issue) manager;
- f) Show what actions are in place to reduce the likelihood of the risk materialising (controls);
- g) Show what precautions or provisions will be implemented to reduce the impact of the risk, should it occur (mitigation);
- h) Identify any actions in place to investigate or increase knowledge of poorly understood risks; and
- i) Identify any systems or actions that will be implemented to detect that a specific risk is developing, has started to occur or its likelihood or impact has increased (monitoring).

It is expected that no more than ten risks would be managed by the top team, rather more at the next level and many more that have been recognised with no further action planned. The ETI will only consider the top two categories, but proposers may provide the complete register.

A summary of key risks should be included in the Proposal, with a complete risk register as described above provided as a separate document.

7. Health, Safety & Environment Management (HSE) [typically 1 page or less]

The anticipated work required for this Project is an entirely desk based study using available information. It is not anticipated that any site visits, field trials, experimental or laboratory work will be required. Respondents should advise if any work which is not entirely desk based is included in their Proposal, and identify and describe all such work in their Proposal so that the ETI may assess any implications of such work in relation to HSE management..

8. Intellectual Property [typically 2 pages]

Arising IP:

Any Project commissioned by the ETI will be subject to the appropriate ETI terms and conditions, (a summary of which is included in Appendix B).

The Respondent should provide a brief overview of the nature of any anticipated Arising IP from the Project, identifying in particular the relevant areas of technology and the form of intellectual property rights arising (eg patents, proprietary data, computer algorithms, know how or other IP).

In this Project, it is anticipated that the Arising IP will belong to the ETI. Any licensing of Arising IP from the ETI to the Participants may be discussed if appropriate. Participants wishing to discuss any licence to use the Arising IP should note that profit will not be paid for the Project in addition to the grant of a licence of Arising IP.

Background IP:

The Respondent should describe any Background IP (e.g. patents, proprietary data, computer algorithms, know how or other IP) only to the extent there is Background IP:

- which is needed (whether by the ETI, or to be licensed from one Participant to another Participant or a Subcontractor, or to be licensed by a Subcontractor to a Participant or to another Subcontractor, or otherwise) to carry out the Project or which may be used during the Project; or
- which may be needed by the ETI (or any licensee of Arising IP) to use (whether in future ETI projects or otherwise) or exploit the Project results and/or Arising IP.

The description of any such Background IP should detail:

- the nature of the IP (including the legal nature of the IP right),
- rights to that IP,
- ownership and control, whether this is by any of the Project Participants or by any third parties,
- details of the relationship with the owner of any third party rights identified, and
- whether there is any reason why such Background IP will not be made available as and to the extent needed.

Please note that further due diligence on Background IP will be required during the Project Shaping and Contract Negotiation Phase of the Commissioning Process (see Appendix C section 2).

Other:

Where proprietary data may be required to carry out the Project and/or to exploit the Arising IP, the Respondent should describe the data sources that will or may be used and the databases/datasets that will or may be required. The Respondent should provide brief details of licences that will or may be required for use of such data (and, if applicable, data derived using such data) during the Project and/or to use or exploit the Project results/Arising IP. Please note that the ETI will expect all licences of third party data to be in place by the time the Project Contract is signed.

Academic Institutions/Publishing:

Generally, the ETI will grant rights to Participants who are academic institutions for the purposes of academic research and teaching if requested. Publication of appropriate parts of the Project results will generally be permitted subject to an approval process. Participants should include details of their desired requirements in relation to academic research, teaching and publication in their Proposal.

9. Project Finances [typically 1-2 pages]

9.1 Project Costs

(a) The Respondent should provide:

- a figure for the **fixed price total contract value** for the Project
- a **breakdown** between Tasks and between Participants against each Task

If there are any assumptions or limitations to these costs, these should be clearly stated.

(b) The Respondent should also provide a **breakdown of the total Project costs (only)**, as specified in the Table below.

	Participant 1 (Lead Coordinator or Prime Contractor)	Participant 2	Participant 3	Participant 4	Participant 5	Total
Number of Person-days						
Base Labour						
Subcontractors						
Travel & Subsistence						
Overheads						
Other						
Profit						
TOTALS						
Profit Margin, %						

Notes on Category Breakdown table:

1. Base Labour should include direct add-ons (eg NI, pension etc);
2. Participants will be required to provide justification of overhead calculations during the Project Shaping and Contract Negotiations Phase. ETI can provide a spreadsheet to calculate overheads on request
3. Participants should note that under state aid rules profit cannot be paid to Participants if they wish to receive a licence for Arising IP
4. Academic Consortium Members should determine their costs using the JeS system. Note that ETI funds Academic Consortium Members at 100% Full Economic Cost.

10. Insurance [maximum 1 page]

Respondents should identify how they intend to insure against risks in the Project. The Respondents will need to work with the ETI and its insurers in the Project Shaping and Contract Negotiation period to ensure appropriate coverage of Project risks (see also Appendix C1).

Appendix B Summary of Terms and Conditions for Project Contract

Introduction

The following represents a summary of the key contractual terms which the ETI would expect to be included in the Project Contract for a Project under which the ETI owns all Arising IP. This summary covers both contracting arrangements detailed at Section 1.6 of this RfP; that is, either (i) a single contractor, the Prime Contractor, which may have specific parts of the Project scope subcontracted (subject to the approval of the ETI), or (ii) a multi-party consortium basis.

Structure

1. Where the Project will be carried out by a Prime Contractor, the Prime Contractor will manage the Project. Where there are Subcontractors, the Prime Contractor shall be solely responsible for the management and coordination of the activities of the Subcontractors. The Prime Contractor will be responsible for and administer payment for all of its Subcontractors.
2. Where the Project will be performed by a multi-party consortium, the Participants shall be represented in dealings with the ETI by a Lead Co-ordinator, who shall, in the majority of instances, be the intermediary for any communication between the ETI and the Participants. This role includes providing notices of meetings and other activities to the ETI, reviewing and commenting on Project reports (as required under the Project) and administering payment of invoices for all Participants. The Project Manager will be empowered to have sufficient authority over Participants to ensure full accountability for delivery of the Project to the ETI.

Project Management

3. The Prime Contractor or, in the event of a consortium, the Participants will appoint a Project Manager for the day-to-day management of the Project. The ETI will appoint a Programme Manager to act on behalf of the ETI with regards to the Project.
4. The Participants and, where appropriate, Sub-contractors shall form a Steering Committee to make decisions on day-to-day matters (excluding decisions affecting the overall scope, structure and timing of the Project). The frequency of meetings of the Steering Committee will be agreed with the ETI. The ETI and its members shall be entitled to attend any meetings of the Steering Committee.
5. The Prime Contractor or, in the event of a consortium, the Participants must fulfil various reporting obligations. The requirements for reports will depend upon the nature of the Project, the deliverables under it and the duration of the Project but are likely to include monthly reports and a final report. Each report must address a specified list of topics required by the ETI.
6. The ETI will require the right to carry out a Project review at specified review points (or from time to time at a frequency to be agreed) in order to assess whether the Project continues to deliver against ETI requirements and also in order to carry out a validation exercise against the business case. The ETI may carry out Project reviews more frequently if the Project is in jeopardy. The need for Project reviews and the definition of a Review Point will depend upon the nature of the Project.

7. The ETI will require that the Project is carried out in accordance with health and safety law and will require reports and information as evidence of such compliance from time to time (tailored to the Project).

Finance

8. ETI will pay a fixed price, as set out at Section 4 of this RfP, (“Project Funding and Payment”) against defined Payment Milestones for the work done under the Project. Acceptance of deliverables and milestones will be determined by the ETI, where appropriate, against agreed acceptance criteria. No increase in costs in carrying out the Project over and above the agreed contractual amounts will be payable by the ETI unless, until and to the extent that such charges are agreed in accordance with the ETI’s contractual variation control procedure.
9. Costs are payable in Sterling and ETI will pay valid invoices within 30 days of receipt of invoice following acceptance of a milestone. An accountant’s report will be required to support selected financial reports and invoices, in accordance with a standard ETI matrix
10. The ETI reserves the right to require the return of funding in certain circumstances (such as in the event of corruption or fraud, overpayment, costs incurred in respect of unapproved Project changes and failure to comply with State Aid obligations).

Confidentiality

11. Restrictions on disclosure of any other party’s confidential information will apply. Any publication of results (if appropriate) will be subject to the confidentiality provisions in the agreement.

Audits and Records

12. ETI will require the right to audit the Project, the Prime Contractor (alternatively, in the event of a consortium, the Participants) and any and all Subcontractors during the Project and, in certain circumstances, up to 7 years from the end of the Project on financial or technical grounds.
13. All parties involved in the Project will be required to maintain the majority of Project records for a minimum of 10 years from the Project end date and for potentially more than 20 years where the records relate to registered intellectual property rights. The Prime Contractor shall require no less obligations from its Subcontractors.

Sub-contracting

14. Sub-contracting is not permitted without consent, except for agreed known subcontractors included/detailed in the Technology Contract at signing.

Variation

15. Any variations to the Project must be made via the ETI’s variation control procedure.

Liability / Warranty / Indemnity etc.

16. The ETI will require that warranties and undertakings be given by the Prime Contractor or Participants (as appropriate), including without limitation in relation to

rights to Background IP and the amount of the Project costs spent on research and development as defined in the Income and Corporation Taxes Act 1988.

17. There will be an indemnity in favour of the ETI members for tax losses in the event that the Prime Contractor or Participants (as appropriate) fails to provide complete and accurate information relating to the Project costs spent on research and development as defined in the Income and Corporation Taxes Act 1988.
18. The liability provisions relating to the Prime Contractor, alternatively in the case of a consortium the Participants, will be tailored on a case-by-case basis but are likely to be capped at the amounts payable under the Project (except in the case of IP infringement claims, certain third party claims or other liabilities which cannot be limited or excluded by law. For these claims, no cap will apply). Recovery of indirect, consequential etc. damages will usually be excluded.
19. The ETI will require an indemnity in respect of certain claims brought by any third parties against the ETI as a result of the acts or omissions of the Participants under the Project. The Prime Contractor will be liable for the acts and omissions of the Subcontractors.

Withdrawal

20. Withdrawal from the Project is only possible with the express consent of the ETI and, in the event of a consortium, with the unanimous consent of the other Participants. In such circumstances, the Contractor or withdrawing Participant(s), as appropriate, cannot recover outstanding costs, unless otherwise agreed.

Termination and Suspension

21. The ETI reserves the right to terminate the agreement in certain circumstances (such as breach by the Contractor (which shall include without limitation a breach by a Subcontractor) or, in the event of a consortium, a Participant, insolvency or change of control of a Contractor/Subcontractor/Participant etc.). The ETI also reserves the right to terminate the agreement unilaterally upon giving a (to be agreed) period of notice to the Contractor or Participants, as appropriate. Upon termination, the ETI will pay the eligible costs incurred by the Contractor or Participants (as appropriate) up to the date of termination.
22. The ETI will reserve the right to suspend the Project in certain defined circumstances.

Intellectual Property

23. All Arising IP from the Project will be owned by the ETI. The Prime Contractor (or, in the event of a Consortium, the Participants) and any Subcontractor(s) will be required to assign all relevant Arising IP to the ETI.
24. The Contractor (or, in the event of a Consortium, the Participants) and any Subcontractor(s) will be required to licence their Background IP: (i) to the other parties (including for the avoidance of doubt Subcontractors) involved in the Project on a royalty free basis where required for the purposes of the Project; and (ii) to the

ETI or licensees of the ETI, where required for the use or exploitation of the Project results/Arising IP.

Appendix C Due Diligence Information Requirements

The ETI requires due diligence information during two phases of the Commissioning Process: (1) submission of the Proposal and (2) Project Shaping and Contract Negotiation. Certain information is required with the Proposal as part of the first phase of the Commissioning Process. Further information will be required if any Proposal is selected to proceed to the Project Shaping and Contract Negotiation Phase.

Please note that successful completion of all elements of the due diligence is a pre-requisite to any contract award: failure to meet due diligence requirements at any stage may result in the exclusion of that Respondent or the Proposal from the ETI's selection process.

1. Submission of the Proposal

1.1 State Aid

All proposed Participants shall confirm that there are no potential, threatened, pending or outstanding recovery orders by the European Commission in respect of any funding received by any Consortium Member.

1.2 General Due Diligence

All proposed Participants (except ETI Members, universities / higher education institutions and UK/EU government laboratories / agencies) which provide more than 20% of the resources for the Project or which provide an input which is critical to the Project's success, shall provide due diligence Information to the ETI according to the table in Annex C2.

1.3 Insurance

The Respondent should confirm that insurance cover for the following risks is held by all proposed Participants, and should confirm levels of cover and expiry for each. The ETI will require evidence of these during the Project Shaping and Contract Negotiation Phase.

- Property damage (both any Property occupied by the Participants and any third party properties)
- Business interruption
- Employer's liability
- Public liability
- Product liability (or justify its exclusion if not appropriate)
- Professional Indemnity
- The Respondent should identify if it or any other proposed Participant(s) self-insures for any of these risks.
- The Respondent should identify if it or any other proposed Participant(s) is intending to take out any Project-specific insurance for the Project and the scope and intended beneficiaries of such insurance.

In relation to professional indemnity insurance, Respondents should note that the ETI has the following requirements.

Each Project Participant is required to have in place at the start of the Project a professional indemnity insurance policy (with at least a 6 month unexpired term).

- Each policy should have a limit of indemnity of not less than £1,000,000 each and every loss.
- Each policy should provide an indemnity at least as extensive as the ETI's policy (the ETI will make this assessment). For example, the cover needs to include cover for negligent acts or omissions, and dishonest or fraudulent acts or omissions by the insured).
- Each Project Participant will need to agree to maintain a professional indemnity insurance policy in force for 6 years from the date of completion of the Project.
- The ETI will require sight of the insurance policy provided by the Project Participant or a copy of a letter of confirmation from the Project Participant's insurance company or broker summarising the policy.

1.4 Intellectual Property

Initial intellectual property due diligence will be provided in the Proposal in accordance with Appendix A of this RfP (see Appendix A Section 8)

2. Project Shaping and Contract Negotiation Requirements

These are only required if a Proposal is selected to proceed to the Project Shaping and Contract Negotiations Phase, and will include:

- i. Further intellectual property due diligence. This will include a detailed Background IP questionnaire which will be issued by the ETI for completion to identify Background IP and third party IP relevant to the Project and/or to the use or exploitation of the results of the Project. Participants and Subcontractors (if any) may be asked to provide evidence of ownership or rights to use the relevant intellectual property for the Project and/or for the use or exploitation of the results of the Project. It is not anticipated that the further due diligence will include a patent study relating to the Project. However, if the ETI considers (following receipt of any Proposal(s)) that a patent study is required, this would be carried out, at the Respondent's expense, by a Chartered European Patent Attorney to assist in determining whether the proposed Project can be carried out without infringing valid intellectual property rights of others. The ETI's approval of the scope of the study and the patent attorney proposed would be required;
- ii. Financial due diligence on the breakdown of costs for the Project to enable the ETI to assess value for money and ensure that it meets State Aid requirements;
- iii. Copies of insurance policies;
- iv. Any other information that the ETI reasonably requires in order to fund the proposed Project including any information necessary to meet state aid and health and safety requirements.

Details of organisation
Full name:
Registered Office:
Type of Business (sole trader, limited company, partnership etc):
Names of directors/partners/owner:
VAT number:
Details of directors, partners or associates
Have any directors, partners or associates of the organisation been involved in any organisation which has been liquidated or gone into receivership? (Yes/No)
Have any directors, partners or associates of the organisation been convicted of a criminal offence relevant to the business or profession? (Yes/No)
Please give (and attach if necessary) full details if you have answered 'Yes' to either of the two previous questions.
Audited Financial Accounts
Please supply Audited Financial Accounts for the last 3 years for the organisation, or relevant part thereof.
Claims or litigation
Please provide (and attach if necessary) details of any claims or litigation against the organisation, outstanding and/or anticipated.

Appendix D Statement of Compliance

The Respondent shall provide a Statement of Compliance which confirms:

- That the Respondent has full authority to submit a bid on the basis of this Request for Proposal;
- That the Submission has been appropriately reviewed by technical, commercial, financial and legal representatives; and
- The level of internal approval obtained by key subcontractors in order to make the Proposal (letters of support from each key subcontractor should be included).

In the case of a Respondent responding on behalf of a Consortium, a separate Statement of Compliance must be signed by an authorised signatory of each Consortium Member.

The Respondent shall provide a statement that the Proposal is able to deliver the Required Outcomes of the Project (as described in section 1.4 of this Request for Proposals) and all other aspects of the Request for Proposal including the Project Contract, or shall state clearly any exceptions, deviations, alternative approaches or additions to the requirements of the Request for Proposals (including the Project Contract), with justification. Additional comments and clarifications should also be listed where appropriate (for example to clarify interpretation of requirements), but these must be differentiated from any deviations / exceptions above.

With respect to the draft Project Contract, the Respondent must either:-

- Expressly confirm that the Proposal is made on the basis of the terms and conditions of the draft Project Contract; or
- Expressly confirm that the Proposal is made on the basis of the terms and conditions of the draft Project Contract subject to clarifications and exceptions. In these circumstances, the Respondent must include in their Submission either:
 - A copy of the draft Project Contract, marked up with the Respondent's proposed clarifications and exceptions; and
 - A separate commentary against the clarifications and exceptions setting out the reason for those clarifications and exceptions.

Appendix E Non Disclosure Agreement

A standalone copy of this NDA is available on the ETI's website².

File Ref No: GAT/ESD/2050UKEIO/030511

MULTI-PARTY CONFIDENTIALITY AGREEMENT

THIS AGREEMENT is made on _____ of _____ 2011

BETWEEN:

1. **ENERGY TECHNOLOGIES INSTITUTE LLP**, a limited liability partnership (company no. OC333553) whose registered office is at Holywell Building, Holywell Way, Loughborough, Leicestershire, LE11 3UZ (the "**ETI**"); and
2. **The parties named in Schedule 1 of this Agreement** (the "**Respondents**"),

(collectively the "**Parties**" and individually a "**Party**")

BACKGROUND:

The Parties intend to exchange certain confidential information on or after the Effective Date for the Purpose. The Parties agree to receive such information and to treat it as confidential information for the Purpose on the following terms and conditions.

IT IS AGREED:

In consideration of the above and for other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound, the Parties agree as follows:

- 1 In this Agreement, unless the context requires otherwise, the following words shall have the following meanings:

"Commissioning Process" means the ETI's commissioning process for the Project as defined in the RfP and as set out at Section 2 of the RFP;

"Disclosing Party" means any Party that discloses Information pursuant to this Agreement;

"Effective Date" means date of execution hereof;

"ETI Affiliates" means the Secretary of State for Business, Innovation and Skills (and any successor governmental department or agency from time to time) and any other entity which is entitled to appoint the directors or otherwise having the ability to direct management policies of the ETI (together with any affiliates of those entities), together with their respective officers, employees, agents and consultants;

² www.energytechnologies.co.uk/Home/Technology-Programmes/Requests_for_Proposals_copy1.aspx

“Information” means any and all confidential information or data exchanged, submitted or otherwise provided in respect of or further to the Purpose or prepared in relation to the Purpose, including but not limited to written proposal documentation, due diligence materials, contractual documentation, reports and the fact that the Parties have entered into this Agreement and are discussing and considering a business relationship;

“Project” means the proposed project under the ETI’s Energy Storage and Distribution Programme entitled the UK Fixed Energy Infrastructure Cost and Performance from 2010-2050 Project;

“Project Contract” means a Project Contract as such term is defined in the RfP;

“Proposal” means a Proposal as such term is defined in the RfP;

“Purpose” means:

- a. the preparation of any Proposal(s);
- b. the Commissioning Process;
- c. any activities relating to the assessment of a Respondent’s Proposal(s) for the Project;
- d. the negotiation of any Project Contract; and/or
- e. any related exchanges of Information, clarifications, clearances, discussions, due diligence, meetings, or negotiations relating to the RfP, the Commissioning Process and/or the Project.

“Receiving Party” means any Party that receives Information pursuant to this Agreement; and

“RfP” means the Request for Proposals relating to the Project and issued by the ETI on 3rd May 2011;

- 2 The Receiving Party shall with regard to any Information disclosed pursuant to this Agreement by or on behalf of a Disclosing Party to the Receiving Party on or after the Effective Date:
 - a hold the Information in confidence and, except as is otherwise stated herein or agreed in writing by the Disclosing Party, shall not disclose or make available the Information by publication or otherwise to any third party (including, for the avoidance of doubt, disclosure in any patent application or to any patent office) and shall use any Information disclosed to it pursuant to this Agreement only for carrying out the Purpose;
 - b make copies of the Information (or any further information derived from the Information) in whatever form or medium only to the extent that the copies are reasonably necessary for the Purpose and clearly mark all such copies as confidential;
 - c take all necessary and proper security precautions (and at least as great as those it takes to safeguard its own information) to safeguard every part of the Information to prevent it from being disclosed or otherwise made available to any third party except as permitted by this Agreement; and
 - d at the request and direction of the Disclosing Party, and without delay, return or destroy any Information provided to it pursuant to this Agreement and any copies of

such Information, except that one copy may be kept by the Receiving Party for archival purposes and for the purpose of defending itself against any claims arising in connection with this Agreement.

- 3 The obligations set out in clause 2 shall not apply to Information that:
 - a the Receiving Party can prove (using written or electronic records), was lawfully known to the Receiving Party or in its possession prior to its communication by or at the direction of the Disclosing Party and was not communicated to the Receiving Party subject to any restrictions on disclosure or use; or
 - b is or becomes a part of the public domain through no wrongful act of the Receiving Party or any person on its behalf, provided that this clause 3(b) shall only apply from the date that the relevant Information so enters the public domain; or
 - c the Receiving Party receives from a third party without similar obligations of confidence in circumstances where the third party did not obtain that Information as a result of a breach of an obligation of confidence; or
 - d is required to be disclosed or made available by the Receiving Party pursuant to any applicable law, governmental regulation, or decision of any court or tribunal of competent jurisdiction or any government body, agency or regulatory body.
- 4 If a Receiving Party believes it is required by law to disclose any Information under clause 3(d) above, the Receiving Party shall (in each case and to the extent not prohibited in law):
 - a provide the Disclosing Party with immediate written notice of such requirement or obligation, (together with a copy of any relevant access request, court order or other evidence giving rise to such belief) to enable the Disclosing Party to seek appropriate protective relief and/or to take other steps to resist or narrow the scope of any required disclosure;
 - b where it is not permitted in law to notify the requirement for disclosure in advance of the required disclosure, notify the Disclosing Party as soon as reasonably practicable after the disclosure confirming the nature of and extent of the disclosure; and
 - c co-operate with the Disclosing Party with respect to such matters, and in any event disclose only such Information as it has ascertained, after taking legal advice, it is legally compelled to disclose.
- 5 The provisions of this Agreement shall apply to any Information disclosed under it for a period of seven years from the Effective Date, notwithstanding the earlier completion of the Purpose, unless extended, superseded or otherwise varied by subsequent written agreement between the Parties.
- 6 ETI shall be entitled to disclose or make available any Information it receives from the Respondents (or any of them) to:
 - a such of the ETI Affiliates, and either the ETI's or the ETI Affiliates' employees, officers, secondees, agents, consultants, sub-contractors and professional advisers where such disclosure is necessary for the Purpose provided that all such aforementioned persons to whom any Information is disclosed by the ETI are bound by obligations of confidentiality. Each ETI Affiliate may enforce this clause in accordance with the Contracts (Rights of Third Parties) Act 1999; and

- b the Department of Business Innovation and Skills, the European Commission and such other bodies and/or individuals (including without limitation professional advisers) as may reasonably be required for the notification of, to seek advice in relation to, as part of an assessment of, or otherwise in relation to, State aid.
- 7 If the Receiving Party is a Respondent, the Receiving Party shall be entitled to disclose or make available any Information it receives from the Disclosing Party to such of the Respondent's employees, officers, consultants, and professional advisers where such disclosure is necessary for the Purpose. The Receiving Party warrants and represents that all such persons to whom any Information is disclosed are bound by obligations that are no less restrictive than those in this Agreement. The Receiving Party shall be responsible for breaches of the obligations by such persons. In the case of consultants the Receiving Party agrees not to disclose any of the Disclosing Party's Information without first obtaining the prior written consent of the Disclosing Party and having met all conditions or restrictions required by the Disclosing Party.
 - 8 The Parties agree that money damages would not be a sufficient remedy for any breach of this Agreement and that the Disclosing Party shall be entitled to specific performance and injunctive or other equitable relief as a remedy for any such breach. Such remedy shall not be deemed to be the exclusive remedy for breach of this Agreement, but shall be in addition to all other remedies available at law or equity.
 - 9 No rights or obligations other than those expressly set out in this Agreement are to be implied and nothing contained in this Agreement:
 - a constitutes an offer by or on behalf of the Disclosing Party; or
 - b confers upon the Receiving Party a licence or other transfer of rights in respect of any Party's interest in any Information or in any present or future patent or patent application; or
 - c affects the present or prospective rights of the Disclosing Party under the patent laws of any country or precludes the filing or prosecution of any patent applications by the Disclosing Party.
 - 10 This Agreement represents the entire agreement between the Parties in relation to the subject matter contained herein and supersedes all other agreements and representations, whether oral or written. This Agreement may only be modified if such modification is in writing and signed by a duly authorised representative of each Party.
 - 11 The Parties agree that the ETI may disclose that one or more of the Respondents are involved in discussions with the ETI and the subject matter of the discussions provided that the ETI will provide a copy of any press release or other announcement to the Respondents and seek the approval of the Respondents prior to its publication or release. Other than as set out in this clause, the Parties will not make any public announcements, statements or otherwise publicise the subject matter of this Agreement (or its existence) without the prior written consent of the Parties and no Party will use the business names or trade marks of any Party in any way without that Party's prior written consent.
 - 12 It is not intended that a third party (other than an ETI Affiliate) should have the right to enforce a provision of this Agreement pursuant to Contracts (Rights of Third Parties) Act 1999.
 - 13 The rights of the Disclosing Party under this Agreement are in addition to and not exclusive of rights under the general law and may be waived only in writing and specifically. Delay in exercising or non-exercise of any right under this Agreement is not

a waiver of that or any other right, partial exercise of any right under this Agreement shall not preclude any further or other exercise of that right or any other right under this Agreement and waiver of a breach of any term of this Agreement shall not operate as a waiver of breach of any other term or any subsequent breach of that term.

- 14 If any provision of this Agreement is or becomes illegal, invalid or unenforceable in any jurisdiction, that shall not affect:
 - a the legality, validity or enforceability in that jurisdiction of any other provision of this Agreement; or
 - b the legality, validity or enforceability in any other jurisdiction of that or any other provision of this Agreement.
- 15 Nothing in this Agreement is intended to or shall operate to create a partnership or joint venture of any kind between the Parties, or to authorise either Party to act as agent for the other, and neither Party shall have authority to act in the name or on behalf of or otherwise to bind the other in any way.
- 16 Except as provided otherwise, no person may assign any of its rights under this Agreement or any document referred to in it.
- 17 This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall constitute an original of this Agreement, but all the counterparts shall together constitute the same agreement. No counterpart shall be effective until each party has executed at least one counterpart.
- 18 This Agreement shall be construed in accordance with and governed by English law and the Parties hereby submit to the non-exclusive jurisdiction of the English Courts.

The Parties have caused this Agreement to be executed by their duly authorised representatives.

ENERGY TECHNOLOGIES INSTITUTE LLP

By: _____

Name: _____

Title: _____

Date: _____

SCHEDULE 1

Respondent	Signature
Name of Company: Company number: Company address:	By: _____ Name: _____ Title: _____
Name of Company: Company number: Company address:	By: _____ Name: _____ Title: _____
Name of Company: Company number: Company address:	By: _____ Name: _____ Title: _____
Name of Company: Company number: Company address:	By: _____ Name: _____ Title: _____
Name of Company: Company number: Company address:	By: _____ Name: _____ Title: _____
Name of Company: Company number: Company address:	By: _____ Name: _____ Title: _____

Appendix F Notification of Intention to Bid

The following form is to be received at the address (postal or email) on the front cover no later than the date defined on the front cover and in Section 2.3 of this RfP.

Notification of Intention to Submit a Proposal

Respondent Name: [Legal Name]

Address: [Registered Office Address]

Contact:

Email/telephone:

The above named Respondent hereby notifies the ETI of its intention to submit a Proposal in response to the ETI's Request for Proposal entitled 'UK Fixed Energy Infrastructure Cost and Performance from 2010-2050', issued on 3rd May 2011.

The Respondent submits this notification on its own behalf and on behalf of the following proposed [consortium members][sub-contractors]:

Please list below the legal names of the organisations / entities proposed to deliver the Project.

1. [Enter Name]
2. [Enter Name]
3. [Enter Name]
4. [Enter Name]
5. [Enter Name]
6. [Enter Name]
7. [Enter Name]
8. [Enter Name]
9. [Enter Name]
10. [Enter Name]

Signed: _____

For and on behalf of the Respondent.

Name: _____

Date: _____

Appendix G Glossary

Term	Definition
Arising IP	Any intellectual property which is created by or for any Participant during the Project or for the purposes of the Project.
Background IP	Any intellectual property which existed prior to any Participant's commencement of the Project and which was created by or for the Participant.
Commissioning Process	The commissioning process for the Project as described in Section 2
Consortium	The group of organisations described in Section 1.6 which may decide together to submit a Proposal to carry out the Project and be governed by a Consortium Agreement between themselves. This will not include the ETI itself or any Subcontractors.
Consortium Member	An organisation which forms part of the Consortium.
Consortium Agreement	The agreement to be entered into between the organisations together forming a Consortium, as described in Section 1.6, which governs the execution of the Project within the Consortium.
ETI	The Energy Technologies Institute LLP, a limited liability partnership (Company no. OC333553) whose registered office is at Holywell Building, Holywell Way, Loughborough, Leicestershire LE11 3UZ.
ETI Executive	The Executive Committee of the ETI.
Lead Coordinator	The organisation which is a Consortium Member, and which manages and coordinates the activities of all the Consortium members, and which acts as the primary interface between the Consortium and the ETI, as described in Section 1.6.
Net Residual Value	The value assigned to facilities constructed during the Project on completion of the Project. Such value should take into account the costs of the facility, use during the Project, expected future use and income streams and future costs commitments, e.g. decommissioning.
Own Funds	Funding sourced by the Respondent's own resources and not dependent in any way on third party lending to either the Respondent or member of the Respondent's group.
Participant	Either the Prime Contractor or a Consortium Member.
Payment Milestone	A contract milestone with defined constituent deliverables, associated deliverable acceptance criteria, and milestone value (all to be detailed in the Respondent's Proposal and agreed in the Project Contract) which should be completed in order to reach the said milestone, and at which, subject to acceptance by the ETI that the milestone has in fact been reached, payment may be claimed from the ETI on the basis described in Section 4.1 and on the Terms in Appendix B.
Prime Contractor	A sole organisation which contracts with the ETI to manage the Project. It may have Subcontractors.
Programme Manager	The individual appointed by the ETI to manage the overall ETI programme to which this Project is affiliated, and to whom the Project Manager is accountable.
Project	The project for which the purpose, scope of work and other details are described in this Request for Proposals.
Project Contract	The contract, as described in Section 5, to be entered into between the ETI and the Participants (whether between the Consortium Members or a Prime Contractor)
Project Manager	The individual who is appointed by the Lead Coordinator or Prime Contractor, or is otherwise agreed by the Project Participants, to carry out its responsibilities.

Project Organisation	The entity or group of entities / organisations, and the contracting and management structure which they adopt, as described in Section 1.6, which together will carry out the Project if commissioned by the ETI and includes any Consortium Members or Prime Contractor and any Subcontractors.
Proposal	The proposal for the Project submitted to the ETI, as described in Section 3.1, in response to this Request for Proposals.
Public Funding	Any funding provided by a public authority or agency.
Respondent	The organisations submitting a Proposal to the ETI, as described in Section 3.1.
Review Point	A Project review involving Project Participants and ETI representatives at which the overall progress in Project or a specific Work Package will be critically reviewed and following which a formal decision will be made on the future Project programme.
Stage Gate	A major Project Review Point involving Project Participants and ETI representatives at which the overall performance and business case for the Project will be critically reviewed and following which a formal decision will be made whether to continue with the Project, based on whether agreed Stage Gate Criteria have been met.
Subcontract	A contractual arrangement between a Participant (described in Section 1.6) and another organisation to which work for the Project has been subcontracted.
Subcontractor	An organisation which has a Subcontract.
Submission	The components set out in Section 3.1, including the Respondent's Proposal submitted by the Respondent in response to this Request for Proposals.
Task	A significant activity or group of activities (within a Work Package) which results in completion of a deliverable or a significant part of one, or which represents a significant step in the process towards one.
Work Package (WP)	A major section of the Project scope of work, which may be identified in this Request for Proposals or in the Respondent's Proposal, in order to break up the scope of work into separate manageable parts. A Work Package will usually consist of a number of Tasks.