

VicGrid Tender and Evaluation Guidelines

1/12/2025

Acknowledgement of Country

We acknowledge and respect Victorian Traditional Owners as the original custodians of Victoria's land and waters, their unique ability to care for Country and deep spiritual connection to it.

We honour Elders past and present whose knowledge and wisdom has ensured the continuation of culture and traditional practices.

VicGrid is committed to genuinely partnering with Victorian Traditional Owners and Victoria's Aboriginal community to progress their aspirations.

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1 Introduction

1.1 VicGrid

VicGrid is responsible for carrying out the declared network functions in Victoria which include to plan, authorise, contract for and direct *augmentations* to Victoria's electricity *transmission network* (*declared shared network* or DSN).

1.2 Purpose of these Guidelines

VicGrid is required to publish this document under clause 8.11.7(a)(1) of the National Electricity Rules (NER).

The purpose of this VicGrid Tender and Evaluation Process is to highlight certain aspects of the tender and evaluation process VicGrid will employ when conducting a procurement for a *contestable augmentation*.

1.3 Glossary

This section contains a glossary for terms used in this document. Capitalised terms are as defined in this glossary, *italicised* terms have the same meaning as in the National Electricity Rules or National Electricity Law.

Term	Meaning
DSN	<i>declared shared network</i>
DTSO	<i>declared transmission system operator</i>
EOI	Expression of Interest
ITT	Invitation to Tender
NER	National Electricity Rules
Tenderer	A person who submits a Tender in response to VicGrid's ITT for a <i>contestable augmentation</i>
Tender	The proposal submitted by a Tenderer in response to VicGrid's ITT for a <i>contestable augmentation</i>

2 Interpretation

The following principles of interpretation apply to this document unless otherwise indicated:

- (a) If a word or phrase is defined in this document, other parts of speech and grammatical forms of that word or phrase have corresponding meanings.
- (b) The singular means the plural and vice versa and a gender includes all genders.
- (c) References to a document include its schedules, attachments, appendices and the like
- (d) References to legislation include subordinate legislation and other instruments under them, and consolidations, amendments, re-enactments or replacements of any of them
- (e) The words "includes", "including" or "such as" are not words of limitation and, when introducing an example, do not limit the meaning of the words to which the example relates to examples of a similar kind.

- (f) Unless the context otherwise requires, this document will be interpreted in accordance with Schedule 2 of the National Electricity Law.
- (g) If there is any inconsistency between this document and the NER, the NER will prevail to the extent of that inconsistency.

3 Invitation to Tender Process

When proposing to procure a contestable augmentation, VicGrid:

- (a) will call for Expressions of Interest (EOIs) from persons interested in constructing and operating the proposed contestable augmentation; and
- (b) will prepare and issue an Invitation to Tender (ITT) (which may also be referred to as a request for tender or request for proposal) setting out details of the *contestable augmentation* and the tender and evaluation process.

4 Typical timeframes for the tender and evaluation process

The following table outlines typical timeframes for the tender and evaluation process, noting that actual timeframes and stages will vary based on the procurement approach, commercial model, project complexity, the scope of the services being procured, and the extent and complexity of contract negotiations. Timeframes and processes for specific projects will be identified in the relevant ITT.

Step	Typical timeframe
EOI Stage (inc. evaluation and approvals)	2-6 months
ITT Stage (inc. evaluation and approvals)	2-12 months
Contract Negotiation and Execution	2-6 months

5 Tender Evaluation Process and typical evaluation criteria

The purpose of evaluating Tenders is to identify the Tender that best meets VicGrid’s requirements for the specific project and delivers best value for money.

Tenderers are to submit Tenders in accordance with the ITT.

VicGrid will conduct the ITT and evaluation process in accordance with the conditions included in the relevant EOI, ITT and evaluation plan.

5.1 Typical Evaluation Criteria

Evaluation criteria can vary based on the procurement approach, commercial model, project complexity and the scope of the services being procured. Evaluation criteria for each project will be identified in the relevant ITT.

Evaluation criteria will typically consist of mandatory and qualitative criteria, which may include:

- Legal and Regulatory Compliance
- Health and Safety
- Industrial Relations
- Conflicts of Interest

- Project Team
- Capacity and Capability
- Financial Capacity
- Technical Solution
- Government Policy Requirements
- Engagement with communities and First Peoples
- Commercial Arrangements and Proposition
- Contractual Compliance
- Past Performance

The relative importance and associated weightings of the evaluation criteria will be identified in each ITT.

VicGrid, in its absolute discretion, may decline to undertake an evaluation of a Tender against the qualitative criteria where the Tenderer has failed to satisfy the mandatory criteria.

VicGrid may also have regard to the state's previous experience and dealings with the Tenderer and any information about the Tenderer which is in the public domain.

5.2 Methodology for evaluation

An evaluation team will complete the assessments of the Tenders in accordance with an evaluation plan.

VicGrid will consider how responses will be evaluated before releasing the ITT to ensure the information requested and the evaluation plan are aligned.

VicGrid will ensure the evaluation plan is:

- substantively complete before the release of the ITT; and
- finalised before the tender closing date.

The evaluation plan must set out the:

- (a) tender evaluation criteria, including identifying of any mandatory criteria;
- (b) relative importance and associated weightings of the evaluation criteria;
- (c) evaluation methodology and how each criterion will be evaluated; and
- (d) tender evaluation process, including:
 - i. who will assess the tenders;
 - ii. resourcing, such as technical experts required to assess certain criteria;
 - iii. which evaluation committee members will have access to what information; and
 - iv. how each evaluation criterion will be assessed and scored.

Evaluation criteria will be disclosed in the ITT, with mandatory criteria identified. VicGrid will ensure that the successful Tenderer satisfies the mandatory evaluation criteria prior to entering into a contract with that Tenderer.

Evaluation criteria will be linked to the project's objectives to enable VicGrid to evaluate which Tender represents the best value for money.

The ITT will disclose the relative importance of the evaluation criteria. This requirement may be met by either:

- (a) describing the weightings applied to each evaluation criterion; or
- (b) by listing the evaluation criteria in order of importance.

6 Declaration and management of conflicts of interest

6.1 VicGrid

All those engaged in the evaluation of Tenders will be required to declare any conflicts of interest prior to commencing any evaluation and could be removed from the evaluation process if the VicGrid considers it appropriate.

6.2 Tenderers

VicGrid will:

- (a) obtain a commitment from each Tenderer, as a condition of participating in the ITT process, that the Tenderer must immediately declare any conflict of interest (actual, potential or perceived) to VicGrid, upon becoming aware of the conflict;
- (b) proactively identify and appropriately manage conflicts of interest whether real, potential or perceived; and
- (c) maintain a record of actions taken to address any real, potential or perceived conflicts of interest.

6.3 Probity

The nature of the procurement of *contestable augmentations* is such that VicGrid must consult with the incumbent DTSO on a number of technical and logistical issues. The incumbent DTSO, however, is also a potential Tenderer and VicGrid will ensure that appropriate probity arrangements will apply to each procurement process on a case-by-case basis.

7 Notification of outcome of Tender process

All Tenderers will be notified in writing of the outcome of the Tender once VicGrid has secured agreement with the successful Tenderer.

VicGrid will offer a debrief to all Tenderers and, if the offer of a debrief is accepted, will ensure a debrief is provided promptly. The scope of the debrief will be limited to a review of the ITT requirements and the strengths and weaknesses of the unsuccessful Tenderer's Tender.

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