

This document is for internal and contract specific use only.

Disclaimer

NGG and NGET or their agents, servants or contractors do not accept any liability for any losses arising under or in connection with this information. This limit on liability applies to all and any claims in contract, tort (including negligence), misrepresentation (excluding fraudulent misrepresentation), breach of statutory duty or otherwise. This limit on liability does not exclude or restrict liability where prohibited by the law nor does it supersede the express terms of any related agreements."

Copyright © National Grid plc 2011, all rights reserved

All copyright and other intellectual property rights arising in any information contained within this document are, unless otherwise stated, owned by National Grid plc or other companies in the National Grid group of companies. No part of this publication may be reproduced in any material form (including photocopying and restoring in any medium or electronic means and whether or not transiently or incidentally) without the written permission of National Grid plc

This information should not be forwarded to third parties.

UNLICENSED WORK PROCEDURE

TABLE OF CONTENTS

PURPOSE AND SCOPE	1
PART 1 – PROCEDURAL	2
1 RESPONSIBILITIES	2
2 HEALTH, SAFETY AND ENVIRONMENTAL MANEMEGMENT	3
3 UNLICENSED WORK PROCESS	4
4 UNLICENSED WORK BID PROCESS – IP2.....	4
5 UNLICENSED WORK BID PROCESS – IP3.....	6
6 FINANCE INVOICING AND CONSTRUCTION DELIVERY UNIT COST MANAGEMENT PROCESS	7
7 DETAIL DESIGN AND DELIVERY MANAGEMENT	8
8 SYSTEM OUTAGE MANAGEMENT	9
9 COMMISSIONING MANAGEMENT	9
10 FORMS AND RECORDS.....	10
PART 2 - DEFINITIONS AND DOCUMENT HISTORY	10
11 DEFINITIONS.....	10
12 AMENDMENTS RECORD	12
13 IMPLEMENTATION	12
PART 3 – GUIDANCE NOTES AND APPENDICES.....	13
APPENDIX A - FLOW DIAGRAM FOR UNLICENCED WORK PROCESS.....	13
APPENDIX B - FLOW DIAGRAM UNLICENSED WORK FINANCE AND COST PROCESS	16
APPENDIX C - FLOW DIAGRAM UNLICENSED WORK VARIATION / COMPENSATION EVENT PROCESS	17
APPENDIX D - IP2 & IP3 DOCUMENTATION REQUIREMENTS	18
APPENDIX E - PRICE POLICY	19

PURPOSE AND SCOPE

The purpose of this procedure is to define the Unlicensed work process in terms of the task definition, formal documentation, interface requirements, timescales and responsibilities involved in the assessment, bidding, sanction, finance, delivery and closure of Unlicensed contracts.

This procedure applies to all schemes where the client elects to contract National Grid to construct their assets identified as part of their connection applications as Unlicensed works.

The National Grid strategy for undertaking Unlicensed work applies to locations where they are coincident with licensed work activities at that location.

The process chart in Appendix A provides an overview.

The process shall comply with Governance Policy for the Pricing of Intra-business and Third Party Services – Nov 2007 – Appendix E

PART 1 – PROCEDURAL

1 RESPONSIBILITIES

1.1 The User

The User is a person who is party to the Connection and Use of Systems Code (CUSC) Framework Agreement other than National Grid Electricity Transmission plc.

The User is the asset owner whose assets are to be built by National Grid and who is ultimately responsible for identifying and agreeing the scope of works for those assets, and ensuring that the equipment installed complies with the relevant licence, commercial and technical requirements.

The User is responsible for providing information to enable National Grid to adequately assess and bid for all or parts of the Unlicensed work identified in the signed connection offer to allow the development and award of a contract.

The User will appoint a Client Project Manager who will provide the interface with the Unlicensed Bid Team Leader and the Construction Delivery Unit Project Manager (National Grid) to manage the contract and its delivery.

1.2 Investment Team Leader

The Investment Team Leader will progress the Licensed Project associated with the Unlicensed work, supported by an Investment Team, with responsibility for the following.

- a) determining the full scope of Unlicensed works from the connection application.
- b) Identifying and agreeing the Unlicensed works elements
- c) Co-ordination with the Unlicensed Bid Team Leader regarding the delivery of the Unlicensed work and with the Construction Delivery Unit for the licensed and Unlicensed work.

The Investment Team Leader will, in conjunction with the Unlicensed Bid Team Leader, provide the interface with the User on issues associated with Unlicensed works until the User signs the Connection Offer.

1.3 The Unlicensed Bid Team Leader

The National Grid Unlicensed Bid Team Leader shall act on behalf of Construction and will be the single point of contact with the User in developing the bid and making an offer. In addition, the Unlicensed Bid Team Leader shall act as Commercial Interface once a contract to complete the Unlicensed works is placed with National Grid by the User.

Following the Connection Offer being signed by the User, the Unlicensed Bid Team Leader shall instruct the Construction Delivery Unit to commence work associated with the bid preparation by means of a Project Management Instruction (PMI).

1.4 Construction Delivery Unit

The project delivery roles and responsibilities defined in this procedure, including the Construction Delivery Unit Project Manager role, will be carried out by the Construction Delivery Units unless stated to the contrary. Only National Grid Project Managers from within the Construction Delivery Unit will manage Unlicensed Work Projects unless written agreement to use Non National Grid staff is approved by the National Grid Unlicensed Bid Team Manager.

The Construction Delivery Unit shall ensure and be able to demonstrate confidentiality during the bidding process especially where partners within a Construction Delivery Unit may be bidding for the same work separately.

1.5 The Construction Delivery Unit Project Manager (National Grid)

The Construction Delivery Unit Project Manager (National Grid) will be responsible for contract delivery supported by a Project Delivery Team. Responsibility will extend to the whole of the contracted works, ie. User's assets as determined by the Unlicensed Bid Team Leader. Responsibility includes the provision of agreed monitoring and reporting for the User and the Unlicensed Bid Team.

1.6 The Construction Delivery Unit Development Engineer

The Construction Delivery Unit Development Engineer will be responsible to the Construction Delivery Unit Project Manager (National Grid) for the project management of the Construction Delivery Unit's bid development activities and shall provide a suitable representative to be a member of the Unlicensed Bid Development Team.

1.7 National Grid Occupier

The National Grid Occupier will provide information from the site Health, Safety & Environmental File to the CDM Co-ordinator where work is carried at the Occupier's location. In addition, the occupier will ensure that the necessary authorisations and permits are used for work at operational sites.

1.8 Technical Assurance Manager

The Technical Assurance Manager shall act on behalf of Construction and will be responsible for Design Assurance of National Grid's Licensed work assets only unless the User requests National Grid to undertake Design Assurance on their behalf on their assets.

The Unlicensed Bid Team Leader shall ensure that design of the Unlicensed works is verified in line with design procedure UKBP/TP188 prior to issue of the Bid Document to the User.

1.9 Project Accountant

The project Accountant shall act on behalf of Construction and will be responsible for finance monitoring in conjunction with the Construction Delivery Unit Project Manager (National Grid) and shall ensure the finance process outline in this procedure is adhered to.

1.10 National Grid Head of Substations

The National Grid Head of Substations is the National Grid representative responsible for delivery of the contracted works.

2 HEALTH, SAFETY AND ENVIRONMENTAL MANAGEMENT

The following CDM arrangements apply where the User is the CDM Client

The normal arrangement is as follows:

CDM Client	-	National Grid or as defined in the contract
CDM Co-ordinator	-	National Grid or as defined in the contract
CDM Co-ordinator Reps	-	National Grid - Construction Delivery Unit

Principal Contractor	-	National Grid - Construction Delivery Unit
Designers	-	National Grid (ENI & Construction Delivery Unit) and User

The defined roles (above) require competency checks under CDM 2007 Regulations, to be carried out by the CDM Coordinator on behalf of the CDM Client.

It should be noted that the Client may instigate alternative arrangements to that shown above such that the roles of CDM Co-ordinator, CDM Co-ordinator reps and Principal Contractor can be discharged by a third party.

Consideration will need to be given to which safety rules (National Grid or User) apply to the work and the appropriate workforce will need to be authorised to work under these rules.

3 UNLICENSED WORK PROCESS

The Unlicensed Work Process is summarised in the flow chart in Appendix A which shows the key processes and responsibilities.

The minimum information required in the IP2 & IP3 documentation for Unlicensed works is detailed in APPENDIX D.

4 UNLICENSED WORK BID PROCESS – IP2

If the Unlicensed work covers a number of different Users but at the same site then separate Unlicensed Bid shall be used and not a combined set.

The Unlicensed Works Bid Process starts when a Formal Connection Application is received by National Grid Commercial Team.

The Investment Team will develop the IP2 documentation for the connection scheme to the agreed content and identify the Unlicensed works elements of the scheme.

The National Grid Investment Team Leader for the licensed connection offer will confirm with the Unlicensed Bid Team Leader the full extent of the Unlicensed works and agree the scope of Unlicensed works to be identified to the User.

The Investment Team Leader within the 90 day connection offer period of the licensed work will make the User aware of National Grid capability to carry out Unlicensed works and the applicable terms and conditions that will be accepted by National Grid for an Unlicensed Bid work contract.

The Investment Team Leader shall include in the connection offer details of the works identified as Unlicensed works.

The Unlicensed Bid Team Leader shall make contact with the User to determine if there is an expression of interest in receiving National Grid bid to deliver the Unlicensed works. The expression of interest can be a detailed Tender document or an outline scope agreed at interface meetings.

Where the User has expressed an interest, the Unlicensed Bid Team Leader shall lead a Unlicensed Bid Team to agree a Bidding Strategy with the Construction Delivery Unit and National Grid Senior Managers (ENI and Construction). The Unlicensed Bid Team Leader, as appropriate, shall complete the Credit Check Request Form and send to obtain a Risk & Security check of the User to determine if other guarantees or up front payment profiles are to be included in the bid submission.

The Unlicensed Bid Team Leader shall produce a Project Screening Summary (Form TP206.01) and Circulate to obtain approval for National Grid to continue with the Bid Process.

Where the approval to continue the Bid Process is not obtained the Unlicensed Bid Team Leader shall inform the User and the Construction Delivery Unit.

Where continuation of the Bid Process is approved the Unlicensed Bid Team Leader shall update the Bid Reference Log and allocate a Bid Reference Number. A Change Request shall be submitted to Investment Planning to allow the capture of costs incurred by the Construction Delivery Unit and Construction in developing the Bid.

The Unlicensed Bid Team Leader shall notify the User of National Grid intention to Bid for the Unlicensed work at this stage. The User should be informed that this process may take between 3 to 6 months prior to the submission of an offer.

Where necessary, the Construction Delivery Unit shall be asked to produce IP2 documentation as outlined to allow The Unlicensed Bid Team Leader to make an indicative offer for the Unlicensed work.

The Unlicensed Bid Team Leader shall request a nominated Construction Delivery Unit Project Manager (National Grid) who shall co-ordinate all Construction Delivery Unit work to develop the bid.

All correspondence and instructions within the Construction Delivery Unit shall be via the Construction Delivery Unit Project Manager (National Grid).

The Unlicensed Bid Team Leader shall submit the scope of Unlicensed work, which may be a detailed tender or an outline, to the Construction Delivery Unit who will review the scope and submit cost and timescales for preparing IP2 documentation.

Once the Unlicensed Bid Team Leader has agreed the IP2 production cost and timescales it shall be passed to Construction Commercial to generate a Project Management's Instruction (PMI). The PMI will be passed via the Unlicensed Bid Team Leader to the Construction Delivery Unit within agreed timescales and be an instruction for them to proceed with the production of the IP2 documentation.

On receipt of the IP2 production cost and timescales from the Construction Delivery Unit the Unlicensed Bid Team Leader shall carry out cost assurance in conjunction with the Cost Assurance Team and where necessary instigate a challenge of the costs with the Construction Delivery Unit by way of review and negotiation. Where necessary the Unlicensed Bid Team Leader may instruct another Construction Delivery Unit to Bid.

The timescales for finalising the Unlicensed IP2 costs must be within 2 months from receipt of the PMI to start the Bid process.

The Unlicensed Bid Team Leader shall write a background brief and complete the Bid Model Form for the IP2 stage (TP206.02). The form with the brief should be circulated to obtain approval for National Grid to make an indicative offer to the User.

The Unlicensed Bid Team Leader shall submit the scope of Unlicensed work to the Construction Delivery Unit who will review the scope and submit cost for preparing IP3 documentation to the agreed content.

On receipt of the IP3 documentation preparation costs from the Construction Delivery Unit the Unlicensed Bid Team Leader shall carry out cost assurance in conjunction with the Cost Assurance Team and where necessary instigate a challenge of the costs with the Construction Delivery Unit by way of review and negotiation.