



# **Smart Metering Device Assurance Scheme Operator Services**

**Request for Proposal  
10<sup>th</sup> September 2014**

**VERSION: V1.2 Final  
September 2014**

**THE RESPONDENT SHALL AT ALL TIMES KEEP ALL INFORMATION DISCLOSED DURING THIS RFP EXERCISE OR OTHERWISE OBTAINED BY RESPONDENTS STRICTLY CONFIDENTIAL AND, WITHOUT PREJUDICE TO THE GENERALITY OF THE FOREGOING, SHALL: (i) ONLY DISCLOSE THE INFORMATION TO THOSE OF ITS EMPLOYEES WHO REQUIRE TO RECEIVE IT IN RELATION TO RESPONDING TO THIS REQUEST FOR PROPOSAL; AND (ii) NOT DISCLOSE THE INFORMATION TO ANY THIRD PARTY WHATSOEVER WITHOUT SMDA COMPANY'S OR SMDA STEERING GROUP'S PRIOR WRITTEN CONSENT IN EACH CASE.**

## TABLE OF CONTENTS

|          |  |           |
|----------|--|-----------|
| <b>1</b> | <b>SCOPE .....</b>   | <b>5</b>  |
| 1.1      | RFP Approach .....   | 5         |
| 1.2      | Background .....   | 6         |
| 1.3      | Out of Scope .....   | 10        |
| 1.4      | Structure of the RFP .....                                       | 10        |
| 1.5      | Information Quality .....  | 10        |
| <b>2</b> | <b>INSTRUCTIONS TO RESPONDENTS.....</b>                          | <b>12</b> |
| 2.1      | Closing Date for RFP Response .....                              | 12        |
| 2.2      | Receipt of RFP Response .....                                    | 12        |
| 2.3      | Validity Period .....  | 13        |
| 2.4      | Sub-Contracting.....   | 13        |
| 2.5      | Confidentiality .....  | 13        |
| 2.6      | RFP Process – Indicative Timeline .....                          | 14        |
| 2.7      | Award Criteria.....  | 14        |
| 2.8      | Canvassing/ Collusion .....                                      | 15        |
| 2.9      | Vendor Workshops.....  | 16        |
| 2.10     | Assumptions .....  | 16        |
| 2.11     | Alternative Considerations.....                                  | 16        |
| <b>3</b> | <b>SPECIFIC INFORMATION TO BE PROVIDED IN RFP RESPONSE .....</b> | <b>17</b> |
| 3.1      | Overview.....  | 17        |
| 3.2      | Specific Questions .....   | 17        |
| 3.3      | Assumptions and Dependencies .....                               | 20        |
| <b>4</b> | <b>PRICING PROPOSALS .....</b>                                   | <b>21</b> |
| <b>5</b> | <b>TERMS AND CONDITIONS .....</b>                                | <b>21</b> |
| <b>6</b> | <b>ANTI-BRIBERY AND CORRUPTION .....</b>                         | <b>21</b> |
| <b>7</b> | <b>POSITION ON LIABILITY .....</b>                               | <b>22</b> |
| <b>8</b> | <b>APPENDICES.....</b>   | <b>22</b> |

## Key Defined Terms

**Interoperability** - is defined in this context as the ability of a device(s) to interface and operate with the DCC, its systems and equipment.

**Interchangeability** - is defined in this context as the ability of devices to interface and be compatible with other devices of a different manufacturer in a Smart Metering System in the consumers' premises. As such this allows the devices to be interchanged by the responsible Energy Supplier regardless of which Energy Supplier installed the device or replaced a device at a later stage.

**Smart Energy Code (SEC)** - The code designated by the Secretary of State pursuant to Condition 22 of the DCC licence and setting out, amongst other things, the contractual arrangements by which DCC provides services to users as part of its Authorised Business.

**Smart Energy Code Panel (SEC Panel)** - Panel established to ensure that the SEC is effected in a way that is efficient and fair and does not discriminate between Parties

**Smart Metering Equipment** - A collective term for all smart devices (Electricity Smart Meter, Gas Smart Meter, In-Home Display, Pre-Payment Metering Interface Devices, and HAN Connected Auxiliary Load Control Switches, but not including the Communications Hub)

**Device** - One of the following: Electricity Smart Meter; Gas Smart Meter; Communications Hub; Gas Proxy Function; Pre-Payment Interface Device; Auxiliary Load Control; In Home Display or Consumer Access Device.

A full glossary of terms is provided in Appendix 3.

## **SECTION 1**

### **1 SCOPE**

Energy UK, BEAMA, the Energy and Utilities Alliance (EUA) and the Community of Meter Asset Providers (CMAP) initiated the Smart Metering Device Assurance Scheme (SMDA) as a means of establishing a central assurance regime to encompass interoperability and interchangeability testing for Smart Metering Equipment.

It is highly likely that a new “not for profit” company, the SMDA Company (SMDA Co), will be established to secure the services of the SMDA SO, provide oversight and overall accountability. Should an alternative, more appropriate body be identified they will provide these functions to the SMDA Scheme.

This Request for Proposal (RFP) is to identify and appoint a respondent to act as SMDA SO and establish and manage and/or provide the SMDA testing regime required.

This RFP describes the objectives and requirements for the SMDA SO Role in establishing and managing the SMDA testing regime. Respondents are invited to submit an offer for the work specified herein.

Section 1 provides an overview of SMDA and SMDA Co’s approach to this RFP;

Section 2 provides instructions for responding;

Section 3 covers the specific information to be provided;

Section 4 covers the pricing proposal;

Section 5 covers the contractual terms and conditions to be applied;

Section 6 covers SMDA Co’s position on anti-bribery and corruption;

Section 7 covers SMDA Co’s position on liability; and

Section 8 covers the appendices which provide more specific information about the services being requested.

#### **1.1 RFP Approach**

This RFP and its associated documents, appendices and attachments (as referred to herein) provide information on the approach SMDA Co will take to this RFP process for the supply of the SMDA SO role and the associated SMDA testing services. This includes information on the services sought and the format and nature of the responses expected from all respondents.

Please note that responses to this RFP are due back on **Wednesday 22<sup>nd</sup> October 2014**.

## 1.2 Background

The Department of Energy and Climate Change (DECC) has set out its policy on Smart Metering Equipment Technical Specifications second version (SMETS2) compliance<sup>1</sup> and interoperability in its equipment testing consultation response<sup>2</sup> document. Additionally, DECC requires that Smart Metering Equipment is protocol certified and Commercial Product Assurance (CPA) certified and that it meets Smart Metering Key Infrastructure (SMKI) testing requirements as set out in the Smart Energy Code (SEC4) consultation document<sup>3</sup>. All appropriately certified compliant Smart Metering Equipment will be added to a centrally held Certified Products List maintained by the SEC Panel.

DECC policy does not cover the establishment of a central assurance regime to determine whether Smart Metering Equipment is SMETS2 compliant and/or interoperable with the Data Communications Company (DCC). The obligation is instead on Energy Suppliers to carry out additional testing and retain evidence to discharge their licence and SEC obligations to provide assurance that any equipment installed is SMETS2 compliant and interoperable with the DCC and its systems.

A number of Suppliers, Meter Manufacturers and Meter Asset Providers (MAPs) (Initiating Parties) have identified a common benefit in establishing such a central assurance regime to encompass interoperability and interchangeability testing to fulfil these supplier obligations. In doing so it would provide a mechanism for all parties, including manufacturers, to test equipment against DCC test environments and to give industry assurance through the application of a consistent testing regime. It is anticipated that the majority of users of the SMDA testing regime will become SMDA members and pay a one-off membership fee. Additionally, the regime will provide the Energy Industry with the assurance that Smart Metering Equipment can co-exist in live operations and is therefore interchangeable. This regime will be independent of meter manufacturers, suppliers and any other industry parties.

This RFP will procure the services of the SMDA SO who will establish and manage the SMDA testing scheme on behalf of SMDA Co. The SMDA SO will write the test specifications, set invoice testing charges and appoint and manage a number of test houses to deliver SMDA testing in a consistent and high quality manner.

There may be additional parties and organisations who were not Initiating Parties or SMDA members who have an interest in the SMDA scheme and its operation and who may want to be involved in SMDA as it develops, for example, the Energy Networks Association (ENA) and its members are interested in faults and alerts business processes.

### 1.2.1 SMDA Scheme Rationale

The DCC will test limited combinations of Smart Metering Equipment with the intention of proving the interfaces. The DCC must select equipment from at least two different manufacturers for each fuel type that are not the manufacturer of the Communications Hub; and the meters should be protocol certified. The way in which the DCC selects the equipment must be transparent. Smart metering Devices should be available for DCC testing, however

---

<sup>1</sup> Including meeting the requirements set out in the Great Britain Companion Specifications (GBCS)

<sup>2</sup> <https://www.gov.uk/government/consultations/smart-metering-system-and-equipment-testing>

<sup>3</sup> <https://www.gov.uk/government/consultations/new-smart-energy-code-content-stage-4>

there is an exception in SEC4 to allow Test Stubs to be used if needed. The DCC intends to use the Smart Metering Equipment it selects within the System Integration Testing and Interface Testing stages. The overall objective of these stages is not to test the interoperability of equipment with the DCC Systems but to increase assurance by using physical Devices rather than Test Stubs. There is no contractual obligation for the DCC to use fully accredited equipment for testing and therefore such equipment, although being subject to DCC testing, will need further testing to provide the necessary assurance required by Energy Suppliers.

To support suppliers' ability to discharge their obligations to test Smart Metering Equipment and retain evidence of testing, the Government has concluded in its consultation on equipment testing<sup>4</sup> that the DCC will provide a test environment both during the end-to-end testing stage and on an ongoing basis that will support interoperability testing of all metering equipment variants.

Members of the SMDA Initiating Parties have agreed to deliver this assurance utilising the DCC provision. This will be achieved through an independent testing regime to provide the necessary assurance and evidence that any individual Device or set of Smart Metering Equipment is interoperable with the DCC and interchangeable. This will ensure that when the responsibility, licence conditions, and/or obligations covering Smart Metering Equipment transfer when a customer changes their Energy Supplier, the gaining Energy Supplier has the confidence that the Smart Metering Equipment it has inherited will continue to work as defined in SMETS2.

The requirements of the SMDA Scheme are based on the following set of high-level principles:

- The SMDA Scheme will be a centrally managed and voluntary scheme and its testing services will be available to all, i.e. scheme members and non-members;
- The SMDA testing regime will be independent of meter manufacturers, suppliers and any other industry parties;
- The SMDA Scheme will be self-governed and self-funded by scheme users;
- The SMDA Scheme will be cost effective, value for money, flexible, credible and efficient;
- The SMDA SO will utilise a test house selection strategy that ensures demand can be met and delivers competitive pricing and business continuity;
- The SMDA testing regime will be set up with the intention of having the flexibility to meet both current and future testing needs;
- The SMDA testing will use a defined set of agreed test scenarios and specifications (to single test script level), defined by the SMDA SO but owned by SMDA Co;
- The SMDA SO's testing charges will vary proportionally to the level of testing required;
- Where possible a "tariff" model will be developed for testing charges; however, it is recognised that test-specific bespoke pricing may also be required – non-members will pay a per-test surcharge; and
- SMDA testing charges will cover the cost of the testing itself and a contribution to the ongoing operational costs of SMDA.

---

<sup>4</sup> <https://www.gov.uk/government/consultations/smart-metering-system-and-equipment-testing>

### 1.2.2 SMDA Scheme Objectives

The SMDA Scheme's objectives are:

- To provide assurance that all hardware models and associated firmware versions (relating to smart metering Devices) are interoperable and interchangeable;
- To reduce the risk of meter removal when the customer changes Energy Supplier;
- To provide assurance that the mix of smart metering Devices, including firmware, that make up the 'Smart Metering System' work together;
- To assist in minimising the disruption to customers, i.e. smart metering Devices should not be a barrier for supplier switching, or cause inconvenience due to regular or unnecessary Device exchanges; and
- To create a scheme design that is voluntary and sufficient to create value to all parties involved (including customers) and hence creates market incentives.

In order to help deliver on these objectives, SMDA Co is looking to appoint an organisation to act as the SMDA SO and manage and/or provide the testing regime required. The SMDA SO will assess, appoint and contract with test houses and develop the detailed test scenarios and specifications. The SMDA SO will also appoint a Testing Technical Committee to manage testing disputes, testing prioritisation, risk based testing decisions, etc.

Respondents should note that SMDA Co requires the SMDA SO and associated testing services and test houses to be available for a "go-live" in **June 2015**. This date is driven by the following key dependencies and as such is subject to change:

- Availability of Smart Metering Equipment;
- Availability of Communication Hubs;
- DCC End to End Testing start date; and
- Availability of DCC test environments to 'other' parties;

### 1.2.3 SMDA Scheme Benefits

The SMDA Scheme is expected to offer the following high-level benefits to its members, industry and consumers:

- 1) Assurance of the reliability, interoperability and interchangeability of smart meters;
- 2) A collective scheme through which Energy Suppliers can discharge their regulatory obligations to install equipment that is Interoperable with the DCC, providing assurance that such equipment meets mandated functional requirements; and confidence that the smart metering Devices they are installing are Interchangeable.
- 3) Independent, consistent testing of Smart Metering Equipment that will aid improvements in the production of equipment by manufacturers;
- 4) A reduction in the risk that Smart Metering Equipment will need to be removed in the event that the consumer changes their supply contract, thus reducing associated costs to the consumer;



- 5) A reduction in the risk of consumers being inconvenienced when they change supply contract, thus increasing consumer confidence and enhancing competition in the market;
- 6) For MAPs, confidence in the longevity of their Smart Metering Equipment and that it meets the required standards and is compliant and interchangeable. Therefore in principle reducing the need to build risk into their pricing, again avoiding increased cost to the consumer;
- 7) For Smart Metering Equipment Manufacturers, a test and assurance regime that is efficient and economical and provides confidence to their customers; and
- 8) For Smart Metering Equipment Manufacturers, a collective mechanism through which they can interface with the DCC without the sponsorship of an Energy Supplier, decreasing the end cost to the consumer and enhancing competition in the Smart Metering Equipment market.

#### **1.2.4 SMDA Assumptions**

Due to the complexities and liability issues surrounding the independent certification that a Device is SMETS2 compliant, SMETS2 accreditation will not be an output of SMDA testing. However, interoperability and Interchangeability testing is expected to cover all SMETS2 functionality so it is expected that a high level of assurance will be achieved from executing SMDA Testing. Where SMETS2 functionality is not covered an explanatory statement should be issued with any test assurance.

The SMDA scheme will operate under the following assumptions:

- 1) Energy Suppliers will get the evidence they require to assure them Smart Metering Equipment is SMETS2 compliant through their commercial relationships with manufacturers. SMDA testing will provide further assurance and evidence that their equipment is SMETS2 compliant as the testing is likely to cover the majority of SMETS2 functionality, but it is not intended to duplicate testing which a manufacturer may conduct to prove it equipment is SMETS2 compliant;
- 2) The SMDA SO and its appointed Test Houses will not need to become SEC parties and will not be expected to become DCC Service Users in order to carry out their services;
- 3) It may not always be appropriate to do a full re-test of firmware and/or Device combination. Therefore, the SMDA SO will utilise a risk-based approach to testing where this creates efficiency without compromising the level of assurance delivered. However, any risk based approach must not compromise the level of confidence that SMDA provides;
- 4) The SMDA SO appointed test houses will use the DCC test environment(s) utilising the DCC remote access service;
- 5) The SMDA SO will procure all available variants of DCC Communications Hubs from the DCC and ensure they are on the latest production firmware version; and
- 6) SMDA members and all other test participants will provide all other smart metering Devices required for SMDA testing at no cost.

### **1.2.5 SMDA Governance**

SMDA Co is being set up to procure, appoint, and manage the SMDA SO. SMDA Co is to be a voluntary membership organisation, self-governed and funded by the SMDA SO. It is to be operationally independent of but jointly owned by Energy UK, BEAMA and the EUA. SMDA Co will manage the RFP process for appointing the SMDA SO. The Board of SMDA Co will continually review the performance of the SMDA SO and act as the final stage of any dispute process.

### **1.3 Out of Scope**

The SMDA Scheme will not duplicate any regulated DCC testing or testing which a manufacturer may conduct to prove its equipment is SMETS2 compliant.

The SMDA Scheme is not aiming to be a certification scheme or provide any form of guarantee for suppliers, MAPs, meter manufacturers or any other party. Instead, it will provide the appropriate assurance that SMETS2 Smart Metering Equipment is interoperable with the DCC and interchangeable with other Smart Metering Equipment.

The RFP process excludes the procurement of test houses, as this will be the sole responsibility of the SMDA SO.

### **1.4 Structure of the RFP**

This RFP has six sections with appendices as follows:

1. Scope;
2. Instructions to Respondents;
3. Specific Information to be provided in the RFP response;
4. Pricing Proposal;
5. Terms and Conditions;
6. Anti-bribery and Corruption;
7. Position on Liability; and
8. Appendices.

Respondents are required to submit their offer in accordance with the Instructions to Respondents detailed in Section 2. SMDA Co will appoint the SMDA SO selected by this procurement subject to agreement of a contract.

### **1.5 Information Quality**

The information in this RFP has been prepared to the best knowledge of SMDA Co at this time but is indicative only and does not purport to be comprehensive. It has not been independently verified.

While the information has been prepared in good faith, no representation or warranty is or will be made, and no liability is or will be accepted by SMDA Co or any member of SMDA Co (or by any of their respective officers, employees, agents or advisors) in relation to the

accuracy or completeness of this RFP or any other written or oral information made available to any respondent or its advisers. Any such liability is expressly disclaimed. No information set out in this RFP or referred to in other written or oral information from SMDA Co will necessarily form the basis of any binding agreement with the SMDA SO and neither should it be treated as being any representation or inducement with respect to any award or the RFP process.

Any successful respondent will be required to acknowledge in any agreement relating to the SMDA SO and testing services, that it has not relied on or been induced to enter into the agreement by any representation or warranty, except as expressly set out in the agreement itself.

## **SECTION 2**

### **2 INSTRUCTIONS TO RESPONDENTS**

This RFP is also available on the following websites:

- EUK: [www.energy-uk.org.uk](http://www.energy-uk.org.uk)
- EUA: [www.eua.org.uk](http://www.eua.org.uk)
- BEAMA: [www.beama.org.uk](http://www.beama.org.uk)

#### **2.1 Closing Date for RFP Response**

An email copy of your RFP response must be sent to [SMDARFP@energy-uk.org.uk](mailto:SMDARFP@energy-uk.org.uk) by no later than 5pm on **Wednesday 22<sup>nd</sup> October 2014**.

SMDA Co will only grant extensions to the RFP submission deadline response in exceptional circumstances. SMDA Co reserves the right to reject a respondent from further consideration where it receives the response after the deadline for submission.

Respondents should note that the standard file formats for SMDA Co are Microsoft Word (.docx) and Microsoft Excel (.xlsx). Adobe Acrobat (.pdf) file formats are also acceptable. Respondents should confirm the suitability of other file formats prior to submission. If requested by SMDA Co, respondents may be required to submit an electronic version by e-mail after the deadline for submission.

Please respond to the RFP in a concise manner; responses should be approximately 20-40 pages. Additional information may be included in appendices but these may not be considered a part of a response except where specifically requested, e.g. Section 2.11 Alternative Considerations.

#### **2.2 Receipt of RFP Response**

Respondents must acknowledge receipt of the RFP by e-mail to [SMDARFP@energy-uk.org.uk](mailto:SMDARFP@energy-uk.org.uk) by 5pm on **Friday 19<sup>th</sup> September 2014**, clearly stating an intention to accept or decline this request.

Should respondents accept this request then please provide the following details:

- Organisation name;
- Main contact name, job title, email address and telephone number; and
- Second contact name, job title, email address and telephone number.

Costs incurred in preparing this response (including, for the avoidance of doubt, attendance at any presentation, preparing any supporting documentation or information comprised in it and in relation to any negotiations) will be borne exclusively by the responding organisation.

If successful, respondents will be required to enter into a formal agreement for the supply of the SMDA SO services based on the contract terms attached as Appendix 5. By accepting this RFP respondents agree to:

- a. Submit a bona fide response; and
- b. Not divulge the proposed or actual response price or details to any third party.

Any questions regarding this RFP should be sent to SMDARFP@energy-uk.org.uk on or before **Wednesday 8<sup>th</sup> October 2014.**

Where appropriate, all questions and responses (anonymised) will be circulated to all respondents on a regular basis.

### **2.3 Validity Period**

Respondents can withdraw a submission by giving written notice by email (SMDARFP@energy-uk.org.uk) any time before the RFP closing date.

Respondents must confirm that their response will remain valid and open for acceptance for **three months** from the Closing Date. Failure to comply with this clause shall render your response void.

### **2.4 Sub-Contracting**

Respondents may propose to sub contract any of the SMDA SO and/or SMDA testing services to another party. A description of how such an arrangement would work should be provided.

### **2.5 Confidentiality**

The details of the RFP and all information made available in relation thereto is to be treated as strictly private and confidential and must not be published, copied or made to be known to any other party without the prior written consent of SMDA Co.

SMDA Co shall treat as private and confidential every response to the RFP and shall not disclose details of the same to any other party except where necessary for the purposes of the RFP.

## 2.6 RFP Process – Indicative Timeline

**Table 1 - RFP Timeline**

| <b>Event</b>  | <b>Date</b>                            |
|---|--|
| RFP Issue   | 10 <sup>th</sup> September 2014        |
| Confirmation of Receipt of RFP and intention to respond                                 | 19 <sup>th</sup> September 2014        |
| Respondent Workshop – presentation of RFP content and open questions and answer session | 26 <sup>th</sup> September 2014        |
| Submission deadline for Respondent questions  | 8 <sup>th</sup> October 2014           |
| Final response to Respondent questions  | 15 <sup>th</sup> October 2014          |
| Deadline for RFP Response / RFP Closing Date  | 22 <sup>nd</sup> October 2014          |
| Initial response evaluation & shortlisting  | 5 <sup>th</sup> November 2014          |
| Shortlisted respondent presentations  | Week of 10 <sup>th</sup> November 2014 |
| Contract award  | 21 <sup>st</sup> November 2014         |

## 2.7 Award Criteria

After the submission deadline, SMDA Co will shortlist candidates that best meet the aims and principles of the SMDA Scheme. Further clarifications and negotiations will take place with those shortlisted respondents. This may require respondents to provide presentations at Energy UK's offices in London, and the process will also include a Best and Final Offer (BAFO) stage.

SMDA Co will award the contract based on the most economically and operationally advantageous offer. However, SMDA Co reserves the right to reject any or all respondents, in part or in full, and to award the contract to other than the lowest priced response.

SMDA Co will consider a number of criteria to determine which offer is the most economically and operationally advantageous, including:

**Table 2 - Contract Evaluation Criteria**

| <b>Award Criteria</b>  |
|--|
| 1. Financial and business stability  |
| 2. Experience in delivering similar services   |
| 3. Understanding of the SMDA SO role and the associated testing services to be delivered |
| 4. Ability to deliver the SMDA SO role and testing Services                              |
| 5. 3 <sup>rd</sup> Party Management capabilities & experience                            |
| 6. Scalability / Flexibility   |
| 7. Demonstration of ability to meet specified and stated Service Levels and Milestones   |
| 8. Usability of services   |
| 9. Completeness of RFP response  |
| 10. Commercial structure and service rates   |
| 11. Proposed implementation & delivery strategy  |
| 12. Proposed implementation & delivery timetable   |
| 13. Proposed governance structures   |
| 14. Mobilisation readiness   |
| 15. Availability of references   |
| 16. Approach to data protection  |
| 17. Availability of accreditation  |

For the avoidance of doubt, these criteria are not listed in any particular order or ranking.

## **2.8 Canvassing/ Collusion**

When preparing a response:

- Except as specifically authorised by SMDA Co, respondents shall not approach staff of SMDA Co, the staff of any member organisation of SMDA Co or staff of any of their advisers with a view to providing information in respect of any part of your submission or proposals or attempting to support or enhance your prospect of being selected as a preferred bidder.
- Respondents should certify that their response is bona fide and that it has not been adjusted by agreement or by arrangement with any other party. Furthermore, it should certify that:
  - i. Respondents have not communicated to a party other than SMDA Co any details of their response except to the extent necessary to obtain professional or technical advice or information, quotations or offers of funding necessary for the preparation of the submission;
  - ii. Respondents have not entered into any agreement or arrangement with any other party that they shall refrain from submitting a response or adjust their response in any way.

Any breach of i) and ii) may lead to the exclusion of one or all responding parties involved at the discretion of SMDA Co.

## **2.9 Respondent Workshops**

Subject to interest, a Respondent Workshop will be held on **26<sup>th</sup> September 2014** at Energy UK's London offices. At this workshop, there will be a walkthrough of the RFP document and requirements, and respondents will be able to ask questions and seek clarifications in an open forum. Respondents who are interested in attending this workshop should notify the Initiating Parties of their interest by **19<sup>th</sup> September 2014** at [SMDARFP@energy-uk.org.uk](mailto:SMDARFP@energy-uk.org.uk)

## **2.10 Assumptions**

Where further clarification is required about any element of the RFP document and the response process, please use the RFP enquiry service as mentioned in Section 2.2 rather than making assumptions.

## **2.11 Alternative Considerations**

Respondents must cover the full scope of work and requirements in their response; however, alternative considerations and suggestions for the SMDA SO role and testing regime are welcome. This should be documented in a separate appendix section titled "Alternative Considerations", i.e. not included within the main response.



## SECTION 3

### 3 SPECIFIC INFORMATION TO BE PROVIDED IN RFP RESPONSE

#### 3.1 Overview

This section 3 outlines the information that SMDA Co requires respondents to provide as part of their response. In addition, Appendix 1 and Appendix 2 set out the scope of the SMDA SO and associated testing services required. As part of a response respondents are required to demonstrate understanding of Great Britain’s Smart Metering programme, timescales and plan and associated testing and of the SMDA testing regime. Respondents should also provide details of how they will deliver the services detailed in this document including Appendices 1 and 2 and in particular answer the specific questions below and those in Appendix 2 – Scope of SMDA SO Work.

#### 3.2 Specific Questions

|              |  |
|--------------|--|
| <b>3.2.1</b> | <b>General Information</b>   |
| 3.2.1.1      | What is the Company Name of the legally contracting entity that you propose to use for this contract and what is its status (plc, Ltd etc.)?   |
| 3.2.1.2      | If this is not the Parent Company, please identify the Parent Company and its status. In addition, we may require a Parent Company Guarantee or Performance Bond or some similar legal assurance in this event. If required, can you please confirm that you are able to provide this? |
| 3.2.1.3      | Please specify those office locations that you would primarily intend to use for the provision of services to SMDA SO.   |
| 3.2.1.4      | For each facility that you would propose to use for SMDA SO services to SMDA Co, please outline the size and scalability of operations.  |
| 3.2.1.5      | Two contact names, roles and contact details   |
| <b>3.2.2</b> | <b>Experience</b>  |
| 3.2.2.1      | Describe your experience of providing and managing testing services to other clients, detailing what services are undertaken.  |
| 3.2.2.2      | Provide background to your proposal illustrating your understanding of GB Smart Metering programme, timescales, plan and associated testing. In particular, show how your business is qualified to provide the SMDA SO services.   |
| 3.2.2.3      | Confirm your understanding of the SMDA Scheme, testing regime and the SMDA SO role within that.  |
| 3.2.2.4      | Provide the name of a client who we can use as a reference whom you have provided a similar outsourced service for, if available.  |
| 3.2.2.5      | Outline the performance measures you have in place with the client relevant to this process and your last average performance against these measures.  |
| <b>3.2.3</b> | <b>Financial Information</b>   |
| 3.2.3.1      | Please provide copies of the audited accounts for your proposed contracting entity for the last three years and, if appropriate, of the Parent Company also.   |
| <b>3.2.4</b> | <b>Quality Assurance</b>   |
| 3.2.4.1      | Do you have formal quality accreditation? If yes please provide all relevant details. If no, demonstrate how you would ensure that you will operate in line with ISO9001 principles.   |
| 3.2.4.2      | What is your company’s Quality philosophy/policy?  |
| 3.2.4.3      | How have you embedded quality in your company’s operating procedures?  |

|               |  |
|---------------|--|
| 3.2.4.4       | Please provide the name, position, and responsibilities of your Quality Manager and the organisational structure of your quality department.   |
| 3.2.4.5       | How do you monitor quality in your organisation? Provide details of your quality audit process and the frequency and nature of any quality audits undertaken? Please include any industry standard quality audit regimes you and any subcontracted agents you may use comply with and the status of your accreditation against said standards. |
| 3.2.4.6       | How do you ensure compliance with written quality policies and procedures?   |
| 3.2.4.7       | Describe your mechanism for controlling and documenting changes to process and associated documentation, IT systems, and training manuals. Describe how you disseminate these changes within your organisation.  |
| <b>3.2.5</b>  | <b>Reporting</b>   |
| 3.2.5.1       | Provide details of the Management Information System (MIS) you currently use to measure, record, and report operational performance. This will include, but not be limited to, the detail of data capture, the format of standard reports, and the means of access available to SMDA Co.   |
| <b>3.2.6</b>  | <b>3<sup>rd</sup> Party Management</b>   |
| 3.2.6.1       | Provide details of all third parties and sub-contractors that you may appoint to provide any of those services associated with this RFP.   |
| 3.2.6.2       | Provide details of the services that third parties or sub-contractors will deliver.  |
| 3.2.6.3       | Provide details of what mechanisms and procedures you use to monitor and control such third parties and sub-contractors.   |
| <b>3.2.7</b>  | <b>Legal</b>   |
| 3.2.7.1       | Please detail the legal structure of your Group of Companies and identify the other members of the Group.  |
| <b>3.2.8</b>  | <b>Confidentiality</b>   |
| 3.2.8.1       | What procedures would you follow to prevent the disclosure of confidential or proprietary information about SMDA Co, its operations, members or customers? In your answer, specify what corporate policies you currently have in place.  |
| 3.2.8.2       | What protection measures have you implemented to prevent unauthorised access to your facilities and the part(s) of your premises from which you would supply services to SMDA Co?  |
| 3.2.8.3       | If selected by SMDA Co, you will be required at all times to comply with all relevant data protection and privacy legislation. Please confirm that you will comply with all applicable data protection and privacy laws and requirements.  |
| <b>3.2.9</b>  | <b>Insurances &amp; Guarantees</b>   |
| 3.2.9.1       | Do you hold employers liability insurance?<br>If yes, what is the value of this insurance and with whom do you hold it?  |
| 3.2.9.2       | Do you hold public and product liability insurance?<br>If yes, what is the value of this insurance and with whom do you hold it?   |
| 3.2.9.3       | Do you hold appropriate insurance in respect of third party liabilities (bodily harm or damage to property)? If yes, what is the value of this insurance and with whom do you hold it?   |
| 3.2.9.4       | Do you hold appropriate insurance in respect of professional liabilities (professional advice or consultancy)? If yes, what is the value of this insurance and with whom do you hold it?   |
| <b>3.2.10</b> | <b>Governance</b>  |
| 3.2.10.1      | Please provide details of the likely governance model that you would adopt to ensure that you deliver this SMDA SO contract within commercial, service, and regulatory requirements.   |

|               |   |
|---------------|---|
| 3.2.10.2      | Please describe the key governance processes that you would adopt in delivering this SMDA SO contract with particular focus on the process interfaces and the information exchanged with SMDA Co.   |
| 3.2.10.3      | Demonstrate the risk management process that you would propose to utilise to manage the work, and demonstrate how you have applied this to support the delivery of other similar work.  |
| 3.2.10.4      | Please specify the respective responsibilities and obligations for both you and SMDA Co under the proposed governance model.  |
| <b>3.2.11</b> | <b>Relationship Management Framework</b>  |
| 3.2.11.1      | Describe the main components of your Relationship Management framework. Provide details of the likely activities within each stage.   |
| 3.2.11.2      | Indicate how the proposed model would ensure adequate stakeholder involvement at the appropriate levels in your organisation.   |
| 3.2.11.3      | Confirm that you would nominate a director of your company to be responsible for overseeing your relationship with SMDA Co and to act as a contact point.   |
| <b>3.2.12</b> | <b>Business Transformation Experience</b>   |
| 3.2.12.1      | Provide details of the methodology you use for identifying and implementing continuous process improvements, including the name of the methodology and its key principles of operation.   |
| 3.2.12.2      | Identify which part(s) of your organisation is responsible for ensuring continuous process improvement, and describe how they engage with the remainder of your organisation to deliver the change.   |
| 3.2.12.3      | Please describe how you would identify the business improvement drivers and develop your strategy for business and operational transformation, to ensure that optimum solutions can be identified. Please describe how this strategy alignment and engagement process would work with SMDA Co.  |
| 3.2.12.4      | Describe how your proposed solution, mobilisation, and operation will be flexible and able to adapt to an ever-changing environment.  |
| <b>3.2.13</b> | <b>Business Transformation Implementation</b>   |
| 3.2.13.1      | Please detail your proposals as to how you would work with SMDA Co to identify, agree and implement any business process improvement.   |
| <b>3.2.14</b> | <b>Resourcing</b>   |
| 3.2.14.1      | Please provide details of who will be involved with SMDA SO services from your organisation in terms of roles and skill sets. Where possible for Phase 1 please provide named individuals.  |
| <b>3.2.15</b> | <b>SMDA SO Scope of Work (Appendix 2)</b>   |
| 3.2.15.1      | Provide a general response around how you will fulfil the role of SMDA SO. You should provide a response for each scope area as listed in Appendix 2 and for each specific requirement and question within this. You should link responses to the requirement number. You should clearly show where you are providing additional information. |

### **3.3 Assumptions and Dependencies**

Throughout this RFP, there are numerous examples where respondents are requested to detail their plans to provide for the SMDA SO and testing services (or evidence to support that). Respondents should clearly describe this in the appropriate area of the RFP response. Additionally, SMDA Co needs to identify any responsibilities that respondents assume SMDA Co will discharge. Similarly, the SMDA SO will be dependent on SMDA Co and its member organisations for the delivery of certain information and activities, e.g. input to test specifications. It is of critical importance to both parties that respondents identify and state all such requirements, assumptions, and dependencies. Not only do both parties wish to have a clear and honest business relationship; but SMDA Co wishes to confirm that all costs with this contract are included in any proposal as any future claim for additional costs arising from an assumption or dependency on SMDA Co and its member organisations not stated will not be considered.

Accordingly, respondents are required to list separately, clearly and independently all assumptions made in determining cost proposals, and to identify the anticipated cost and timescale impact should that assumption be incorrect.

Similarly, respondents must list separately and independently all contractual dependencies on SMDA Co and its member organisations for the completion of any obligations under the agreement. These two lists must be included in the RFP response.

## **SECTION 4**

### **4 PRICING PROPOSALS**

Respondents should complete the pricing schedule attached as Appendix 4:

1. Provide full details of all costs associated with each phase and each work scope area;
2. Provide a total cost split by Phase 1 and Phase 2 of the work scope. For Phase 2 please provide details for the fixed cost elements, i.e. we are not looking for an estimate of testing charges at this stage;
3. Provide drivers for any cost ranges and the drivers and risks behind them;
4. Provide details of any other recurring or single costs to be billed to SMDA Co; and
5. Provide the costs, advantages, and disadvantages of any options you are proposing.

## **SECTION 5**

### **5 TERMS AND CONDITIONS**

As part of your RFP response, you must confirm your acceptance of the terms and conditions included in Appendix 5. You should note that the extent of acceptance of these terms and conditions is one of the evaluation criteria for this RFP. For the avoidance of doubt, SMDA Co will not use any terms and conditions other than its own.

## **SECTION 6**

### **6 ANTI-BRIBERY AND CORRUPTION**

SMDA Co is committed to the highest standards of ethical conduct and integrity in its business activities and therefore all SMDA Co's employees, contractors and suppliers must comply with the Bribery Act 2010.

## **SECTION 7**

### **7 POSITION ON LIABILITY**

SMDA testing should provide MAPs and Energy Suppliers with confidence in the longevity of their smart metering Devices and help to reduce the level of risk priced into their meter rentals. However, the SMDA process will not provide a formal guarantee of the smart metering Devices' interoperability or interchangeability, and the SMDA SO or SMDA Co will not need to compensate parties if a Device later proves deficient after passing testing. This kind of liability would have a significant impact on the testing costs such that parties would not see SMDA assurance as valuable. Therefore, if such protection is required parties should obtain this through their own commercial insurance. Respondents should clearly state any liabilities that they expect to be passed to SMDA Co.

Neither SMDA SO or SMDA Co will owe nor will accept any duty or responsibility or liability to any party, whether in contract, tort (including negligence) or otherwise and shall not be liable in respect of any loss, damage or expense which is caused by any smart metering Devices or any party's reliance upon SMDA testing or any SMDA services except, in each case, as the SMDA SO or SMDA Co (as applicable) agree otherwise in writing.

SMDA Co is facilitating the set-up and organisation of interoperability and interchangeability testing of smart meter Devices and will assist in providing stakeholder engagement in defining these requirements. However, it will be the responsibility of the SMDA SO to arrange the necessary provision of testing and to assume any obligations and liabilities that necessarily follow this in ensuring that testing is carried out fairly, accurately, reliably and otherwise in accordance with expected industry and professional standards. The SMDA SO shall also ensure that suitable contractual provisions are in place with testing providers to reflect these requirements.

A culture of continuous improvement should exist, where the SMDA SO's performance is monitored and testing methods and processes reviewed and improved whenever appropriate.

## **SECTION 8**

### **8 APPENDICES**

- Appendix 1 SMDA Testing Scope**
- Appendix 2 SMDA Scheme Operator Scope of Work**
- Appendix 3 Glossary of Terms**
- Appendix 4 Pricing Schedule**
- Appendix 5 Terms and Conditions**
- Appendix 6 Example Non-Disclosure Agreement**
- Appendix 7 Additional Information**