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19 December 2018

Dear Colleague,

OPERATING MARGINS (“OM”) – INVITATION TO TENDER

This Invitation to Tender is made in respect of National Grid Gas’s latest OM procurement exercise.

OM Requirement

Tenders are invited from Storage, LNG Importation with Storage, Supply Increase and/or Demand Reduction to meet the 2019/20 forecast OM requirement. The initial forecast requirement for 2019/20 is **713 GWh**, which includes locational requirements in the South West and South East.

E-tendering

We shall be using the electronic portal ARIBA for the submission of tenders. We encourage you to register on Ariba if you do not have an account and familiarise yourself with the portal by 14 January in order for you to gain access and prepare for tender submission. Alternative methods of tender submission are not allowed.

All users who do not have an Ariba account will be required to register, which can be accessed via Ariba Supplier at the following link:

<https://supplier.ariba.com/>

Once you have registered for an account, you will need to email National Grid Gas (Box.GasContractServices@nationalgrid.com and tahir.mahmood@nationalgrid.com) requesting to be invited to tender for the OM event in Ariba Sourcing by completing the following table.

Ariba Supplier ID Number	
Company Name	
Ariba Key Contact Name	
Ariba Key Contact Email Address	
Ariba Key Contact Mobile Number	

We will then verify prior to approving login credentials and invite the user to participate with an auto generated email.

Please be advised that the portal inviting tenders for OM service year 2019/20 is now open. The portal, created within the “Ariba Sourcing” online environment, shall be open for about 6 weeks (closing at 12:00 noon (GMT) on Monday 28th January 2019) and can be accessed via the following link once you have registered and received the auto generated invitation to participate email.

<https://sourcing.ariba.com/>

Once you have logged in you will be able to:

- Read the Invitation to Tender
- Download, Populate and Attach Tender Pack(s)
- Read and agree to the Terms & Conditions
- Submit Tender(s)

There is a OM Ariba Webinar available as part of the tender documentation below which details the registration and tender submission process.

Tender Documentation

Documentation relating to this Invitation to Tender is now available on National Grid Gas’s website:

<https://www.nationalgrid.com/uk/gas/balancing/operating-margins-om>

The following documents have been published:

- This Invitation to Tender (ITT) Letter
- Tender Guidance Document
- Tender Pack 1 – Gas Capacity
- Tender Pack 2 – Gas Delivery
- Operating Margins Agreements

- Gas Capacity Agreement – Storage (Capacity Tender)
- Gas Delivery Agreement – LNG Storage (Delivery Tender)
- Gas Delivery Agreement – Demand Reduction and / or Supply Increase (Delivery Tender)
- Indexation Principles Document
- OM Ariba Webinar

OM Timescales

The key dates for this Tender Round are as follows:

Activity	Date
Tender Opens	Wednesday 19 December 2018
Tender Closes	12:00 noon (GMT) on Monday 28 January 2019
Tender Assessment	28 January – 27 February 2019
Contract Award Notification	Thursday 28 February 2019, or such earlier date as may be notified by National Grid Gas
Contract Issue and Acceptance	March 2019
Service Commencement	05:00 BST hours on Wednesday 1 May 2019

All tenders must be received by e-tender no later than **12:00 noon (GMT) on Monday 28 January 2019.**

OM Contract Terms

National Grid Gas has a strong preference to contract using the template OM contract terms. Any changes that tenderers wish to make to the template OM contract terms must be detailed in Appendix 1 of the relevant Tender Pack and will be factored into the assessment process.

Further Information

For further information and a more detailed explanation of the tender process, please refer to the OM Tender Guidance Document.



Should any party wish to arrange further discussions directly with National Grid Gas, please request a meeting at your earliest convenience. Alternatively, please contact me should you have any queries.

Yours Sincerely,

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