

AWARD® – Delivering offshore wind, wave & tidal developments with The Crown Estate

The Crown Estate is one of the largest property owners in the UK with a portfolio worth £6.6 billion, from which it contributes over £210 million to the Treasury.



The Customer Profile

The Crown Estate manages the property portfolio owned by the Crown, and is formally accountable to Parliament, to which it submits an annual report. It is managed by a board which has a duty to maintain and enhance the value of the estate and the return obtained from it.

The organisation employs approximately 400 staff, at ten different locations throughout the UK with two principal offices, in London and Windsor.

The Crown Estate owns the seabed out to the 12 nautical mile territorial limit, and has the rights to explore and utilise the natural resources of the UK continental shelf (excluding oil, gas and coal). As owner of this area, The Crown Estate plays a vital role in the cables and pipelines business, offshore aggregate dredging and the development of offshore renewable energy. Other than this, the coastal dealings are many and varied, including ports, moorings and wildfowling.

Offshore Wind Energy

It is proposed that offshore wind could make a contribution of up to 40 GW to UK electricity generation capacity. This could amount to more than one third of the UK's total electricity consumption. To date, there have been a number of leasing rounds under which areas of the seabed have been made available for the development of offshore wind farms.

In June 2008, BERR (Department for Business, Enterprise & Regulatory Reform) announced the launch of an Strategic Environmental Assessment (SEA) of UK waters, opening up sufficient sites to enable the government to reach their target of producing up to 40 GW of

offshore wind energy. This resulted in Round 3 of offshore wind farm development.

The first offshore wind farm projects are expected to be submitted to the Infrastructure Planning Commission (IPC) for consent in 2012. Construction of the first Round 3 projects is expected to start in the middle of this decade.

Offshore Wave and Tidal Projects

Pentland Firth and Orkney Waters was the first strategic area to be made available for commercial scale development of wave and tidal energy in Scotland and indeed the whole of the UK. The projects are the largest planned development of wave and tidal energy worldwide.

It was announced that plans to hold a leasing competition in the Pentland Firth strategic area would take place in September 2008. Initial proposals for projects were invited from developers in November 2008, under the first round of a leasing competition with a nominal target capacity of 700 MW. Responses to this invitation were very positive and 38 pre-qualified companies and consortia were subsequently invited to apply for lease options.

In May 2009, 42 applications were received from 20 bidders, which ranged from small development companies to multi-national energy firms. The associated projects were of a range of sizes, from 10 MW demonstration sites up to 200-300 MW commercial sites. Negotiations with preferred bidders were concluded in March 2010, and agreements for lease were entered into for six wave project development sites and four tidal stream ones.



Use of AWARD®

The Crown Estate has a responsibility to understand the best way to rationalise and manage the interactions between increasingly complex development activities on the marine estate in order to ensure its long term sustainable development. As part of the efforts to ensure an efficient management and delivery of the offshore wind and wave and tidal programmes, AWARD® has been used since 2008 on both Round 3 Offshore wind and wave and tidal leasing which are now subject to multi-billion pound development activities.

AWARD® ensured that a robust evaluation and moderation process was carried out on the bids received and helped to provide transparency of the decisions made to award areas of potential development opportunity in UK waters. It also gave The Crown Estate the confidence that they would be able to identify any issues in a transparent and evidence-based manner.

Using the AWARD® tool enabled The Crown Estate to evaluate the criteria effectively and efficiently, and to investigate areas with the most potential and least risk.

The outputs and rationale from the bid assessment process were made available to the project team – this ensured that the data and decision-making logic was transparent and that the decisions made were robust. The tool processed core evaluation/moderation data as well as presenting information and reports to be used for consultation purposes.

The sheer number of documents generated by each bid submission was initially a major issue, and the AWARD® search functions were vital in assisting evaluators and moderators accessing the relevant documents for each section of the evaluation/moderation. More recently these have been rationalised to reduce the cost of tendering and ease of bid assessment.

Although not subject to EU procurement regulations, it was vital that the bid tendering process was demonstrably fair.

As the evaluation involved external evaluators from a number of organisations, distributed across different geographical areas, the use of AWARD® was beneficial. Being internet-enabled, AWARD® allowed controlled central access to the bid documents and the evaluation data by the evaluators regardless of their geographical location. It also provided real-time progress monitoring for The Crown Estate and allowed them to ensure that the evaluation progressed according to the planned timescales. Providing feedback to successful and unsuccessful bidders was a vital part of the leasing process, particularly so that unsuccessful bidders were able to learn from the leasing round in order to bid more effectively in future leasing rounds. This is where AWARD® really added value, as rationale provided by the evaluators and moderators during evaluation/moderation could be extracted from reports to inform the bidder debriefs.

The Crown Estate made extensive use of the reporting function available in AWARD® and now has a suite of reports available that are used when analysing the results of the evaluation/moderation, and ultimately their decisions for the leasing rounds.

The processes that the AWARD® consultants put in place, along with the audit trail inherent to the tool, gave assurance that each leasing process was carried out in a rigorous and defensible way.

“We introduced AWARD® in 2008, to streamline the evaluation process online. Key benefits have been the ability for different users at various UK locations, both internal and external, to effectively conduct their relevant role in evaluating, moderating and providing supplier feedback within tight timescales on numerous Marine projects. The ability to interrogate the system ensures we are able to demonstrate a transparent procurement decision making process.”

Clare Martin, Procurement Manager, The Crown Estate