

National Grid – Sole source vs. competitive procurement policies

- Standard, corporate policies in place that adhere to industry best practices
 - Applicable across US business units and jurisdictions, policies regularly reviewed and updated as needed
 - Supported and enforced by stand-alone, internal procurement function
 - Program delivery and outcomes remain subject to relevant external oversight, coordination with C-team
- Policy supports dual mandate associated with:
 - Achieving lowest cost procurement of external services required to deliver on company commitments
 - Maintaining company ability to move with agility, minimize administrative costs, meet deadlines and requirements driven by program calendars
- Within Rhode Island EE programs, existing performance incentive mechanism provides additional incentive for National Grid to minimize cost of procured services, achieve desired level of program performance and outcomes

Sole-sourcing vs. competitive procurement policies and process

- Contract characteristics below certain thresholds are eligible for sole-sourcing
- Contract characteristics above thresholds require a competitive procurement process, minimum of 3 conforming bids or formal sourcing process, unless procuring business unit can demonstrate to procurement organization that securing multiple bids is not possible or practical
- Examples of allowable exceptions:
 - Delivery timing obligations do not allow for standard RFP process
 - Repetitive activity with a supplier and the existing approved sole source is less than 12 months old