

Finance and Resource Committee

10.00am, Friday, 10 March 2023

Award of Contract for a Local Heat and Energy Efficiency Strategy and Delivery Plan for Edinburgh

Executive/routine	Routine
Wards	All
Council Commitments	

1. Recommendations

- 1.1 It is recommended that the Finance and Resources Committee approves:
 - 1.1.1 The award of a contract for a Local Heat and Energy Efficiency Strategy and Delivery Plan for Edinburgh to Turner and Townsend Consultancy Limited at a total value of £82,215; and
 - 1.1.2 The commencement of the contract on 14 March 2023 for an initial period of one year with two optional three-month extensions undertaken at the sole discretion of the Council.

Paul Lawrence

Executive Director of Place

Contact: Kyle Drummond, Programme Development Officer

E-mail: kyle.drummond@edinburgh.gov.uk | Tel: 0131 529 4849

Award of Contract for a Local Heat and Energy Efficiency Strategy and Delivery Plan for Edinburgh

2. Executive Summary

- 2.1 This report seeks approval to award a contract for the provision of a Local Heat and Energy Efficiency Strategy and Delivery Plan for Edinburgh to Turner and Townsend Consultancy Limited at a total value of £82,215.
- 2.2 Committee is also asked to approve the commencement of the contract on 14 March 2023 for a period of one year with two optional three-month extensions at the sole discretion of the Council.

3. Background

- 3.1 The Council requires a contract to support the preparation of a Local Heat and Energy Efficiency Strategy and Delivery Plan for Edinburgh, to be published by 31 December 2023. This is a legal duty under the Local Heat and Energy Efficiency Strategies (Scotland) Order 2022.
- 3.2 The Strategy will set out the long-term plan for decarbonising heat in buildings and improving their energy efficiency across the entire city. The Delivery Plan will set out how the Council proposes to support the implementation of the Strategy. Both documents relate to the national targets of achieving net zero carbon status by 2045 and eradicating fuel poverty by 2040.
- 3.3 The process to prepare the Strategy and Delivery Plan comprises of eight stages, of which the Council has completed stages one and two. This contract award is to complete and deliver stages three to eight with support from specialist consultant services.
- 3.4 The role of the consultant is principally to provide technical input, producing the outputs required and carrying out analysis and assessment to identify pathways/actions, providing an accompanying textual narrative and prepare the content required for the Strategy and Delivery Plan.

4. Main report

- 4.1 On 21 December 2022, Commercial and Procurement Services (CPS) published a Contract Notice, as set out in Public Contracts (Scotland) Regulations 2015, via a mini competition utilising ESPO Consultancy Services Framework 664_21, Lot 8b Environmental and Sustainability, with a tender submission deadline of 2 February 2023.
- 4.2 A total of 47 organisations were invited to tender and three tender responses were received.
- 4.3 To identify tenders offering Best Value, the tender evaluations included an emphasis on quality as well as price and submissions were assessed on the basis of the most economically advantageous tender.
- 4.4 A cost/quality ratio of 40/60 was applied, to ensure that quality was of a high standard and to encourage competitive submissions.
- 4.5 A summary of the tender process is attached at Appendix 1 and the recommendation for award of contract is based upon completed evaluation scores for the tenders as detailed below:

Tenderer	Price score % (out of 40)	Quality Score % (out of 60)	Combined % (out of 100)
Turner and Townsend Consultancy Limited	32.36	60.00	92.36
Tenderer B	40.00	34.50	74.50
Tenderer C	21.64	45.00	66.64

5. Next Steps

- 5.1 Subject to approval, the contract will commence on 14 March 2023 for a one-year period with two optional three-month extensions.
- 5.2 This contract will carry out the final stages and ensure completion of the Strategy and Delivery Plan in order for the Council to comply with the Local Heat and Energy Efficiency Strategies (Scotland) Order 2022.
- 5.3 The contract will be managed by the Commercial Development and Investment team and a contract manager will be nominated. The contract manager will support implementation and contract management delivery throughout the contract lifecycles and be supported by the Contracts and Grant Management Team (CAGM).
- 5.4 All efficiencies identified in the procurement process should be delivered by the contract manager through proactive contractor engagement monitoring of

management information, application of key performance indicators and tracking of relevant budgets.

6. Financial impact

- 6.1 The total contract value is £82,215 which is £17,785 less than the project budget of £100,000.
- 6.2 There is a saving of approximately £41,000 based on the difference between Turner and Townsend Consultancy Limited and the lowest scoring tender.
- 6.3 The costs of the contract will be met from the ringfenced funding from the Scottish Government provided to the Council (and all other Local Authorities) to support the development and implementation of the Strategy. The Council has been provided with £75,000 per annum for the period 2022/23 to 2027/2028; dispensation has been granted for the funding for 2022/23 to be carried into 2023/2024, meaning there will be a budget of £150,000 available for Local Heat and Energy Efficiency Strategy-related costs in 2023/24 which will be sufficient to meet the costs of the contract and other associated costs.
- 6.4 The total costs associated with procuring this contract are estimated to be from £10,001 to £20,000.

7. Stakeholder/Community Impact

- 7.1 This contract is necessary to ensure the Council complies with its statutory duty.
- 7.2 The Local Heat and Energy Efficiency Strategy and Delivery Plan will support the Council to meet the targets of achieving net zero carbon status by 2045 and eradicating fuel poverty by 2040. The Strategy will provide a basis for identifying pathways to decarbonising all buildings in Edinburgh via improved energy efficiency and decarbonised heat. It will identify prospective heat network zones in Edinburgh, helping unlock the delivery of heat networks. The Strategy will therefore play a key role in the achievement of Edinburgh's net zero carbon targets.
- 7.3 Guidance published by the Scottish Government sets out rigorous expectations around consultation on the Strategy. Extensive consultation on the Local Heat and Energy Efficiency Strategy will be undertaken with residents and other stakeholders throughout 2023.
- 7.4 Turner and Townsend Consultancy Limited will pay staff the real Living Wage, the organisation is an accredited Living Wage employer.

8. Background reading/external references

- 8.1 None.

9. Appendices

9.1 Appendix 1 - Summary of Tendering and Tender Evaluation Processes.

Appendix 1 - Summary of Tendering and Tender Evaluation Processes

Contract	Local Heat and Energy Efficiency Strategy and Delivery Plan for Edinburgh	
Contract period (including any extensions)	The contract period is one year with two optional three month extensions and will commence on 14 March 2023.	
Estimated Contract Value (including extensions)	£82,215	
Procurement Route Chosen	Mini Competition utilising ESPO Consultancy Services Framework 664_21, Lot 8b Environmental and Sustainability	
Tenders Returned	Three	
Name of Recommended Supplier(s)	Turner & Townsend Consultancy Limited	
Price / Quality Split	Price 40%	Quality 60%
	<p>Quality</p> <p>Consultants Methodology Statement 40%</p> <p>Project Team 30%</p> <p>Programme 30%</p> <p>Fair Work Management Information N/A</p>	
Evaluation Team	Council Officers from Place, Sustainable Development.	