

**SCOTTISH PROCUREMENT  
SP-19-014**

**Framework FOR THE PROVISION OF  
Non Domestic Energy Efficiency (NDEE)**

**ITT SCHEDULE 3 - STATEMENT OF REQUIREMENTS**

## 1. Background

- 1.1. The Scottish Government is the devolved government for Scotland and has a range of responsibilities that include: the economy, education, health, justice, rural affairs, housing, environment, equal opportunities, consumer advocacy and advice, transport and taxation. The core Government consists of six Director Generals: Organisational Development and Operations; Economy; Scottish Exchequer; Health & Social Care; Education, Communities and Justice; Constitution & External Affairs.
- 1.2. The Scottish Government Energy and Climate Change Directorate work to deliver a low carbon society, with sustainable economic growth and reduced greenhouse gas emissions. They are responsible for:
- helping Scotland become a prosperous low carbon economy, with secure, affordable and sustainable energy
  - promoting Scotland's climate change, clean energy and energy efficiency programmes internationally
  - working locally to help individuals, businesses and communities make sustainable choice
- 1.3. Scottish Procurement delivers innovative strategies and contractor relationships that enable public sector organisations in Scotland to access the goods and services they commonly need at market leading prices and terms. We do this through pursuing opportunities for collaborative procurement, and the implementation of leading practices, whilst promoting the economic and sustainable development of the wider Scottish market place.
- 1.4. The objective of this Framework is to support public sector organisations to call off the Scottish Government's NDEE Framework.
- 1.5. The Scottish Government is currently putting in place a new NDEE Framework(s) to support the delivery of public sector energy efficiency retrofit. The NDEE Framework will support a number of wider Scottish government policies including:
- Delivering Best Value to Scottish Public Bodies and Scottish Third Sector Bodies while maximising opportunities for suppliers of all sizes and contributing to the Scottish Government's Purposes (more information available at <https://nationalperformance.gov.scot/>) and to provide Scottish Public Bodies and Scottish Third Sector Bodies with tailored support to help deliver their Energy Efficiency and Zero Carbon energy needs whilst supporting Scotland's Energy Strategy and the Energy Efficient Scotland (EES) Programme.
  - Non Domestic Energy Efficiency (NDEE) has been identified as having particular relevance to The Climate Change (Scotland) Act 2009, (Section 63, Energy Performance of Non Domestic Buildings), Scotland's Energy Strategy and the EES Programme. These Scottish Government policy objectives set stringent carbon reduction and energy efficiency targets which the NDDE Framework will look to support and deliver:
    - by 2030 the equivalent of 50% of the energy for Scotland's heat, transport and electricity consumption to be supplied from renewable sources;

- increase the productivity of energy use across the Scottish economy by 30% by 2030;
- By 2032 where technically feasible, all buildings – both in the residential and services sectors – will be insulated to the maximum appropriate level;
- By 2032 70% of heat and cooling for non-domestic buildings will be supplied using low carbon heat technologies;
- improvements to the building fabric of Scotland’s buildings will result in a 20% reduction in non-residential heat demand.

1.6. Increasing sustainable economic growth is a key driver of economic growth and promoting the transition to a low carbon economy is seen as a strategic priority within this. Best Value is the most appropriate balance of cost of acquisition (including but not limited to price), delivery, service provision and quality.

## 2. Objectives

- 2.1. The purpose of this invitation to tender (ITT) is to procure a Non Domestic Energy Efficiency (NDEE) support unit to support public sector organisations to call off the Scottish Government’s NDEE Framework(s) and to support the subsequent project through construction, commissioning and measurement and verification.
- 2.2. During the course of 2015, the Scottish Government put in place a NDEE Framework(s) to support the delivery of public sector energy efficiency retrofit. This framework(s) is currently being reprocured and will support a number of wider Scottish government policies including:
- The Climate Change (Scotland) Act 2009 sets legally binding targets in relation to greenhouse gas emissions reduction (42% by 2020, based on a 1990 baseline) and places various duties on public bodies. To support this there are linked ambitions; an energy efficiency target to reduce total final energy consumption in Scotland by 12% (against baseline of average consumption in 2005-07) and delivery of 11% of non-electrical heat demand by renewable sources.
  - The Scottish Government announced on 9 June 2015 that improving the energy efficiency of all of Scotland’s buildings is designated a National Infrastructure Priority. The cornerstone of the National Infrastructure Priority will be Scotland’s Energy Efficiency Programme. This new programme will be developed over the next 2-3 years in conjunction with stakeholders. It will for the first time align energy efficiency action on the domestic and non-domestic sectors.
  - Under Section 63, 'Energy Performance of Non-Domestic Buildings' of the Climate Change (Scotland) Act 2009 (the "Act"), Scottish Ministers must, via regulation, provide for the assessment of the energy performance of non-domestic buildings and the emission of greenhouse gases produced and require owners of such buildings to improve the energy performance of those buildings and reduce their emissions. As such, new regulations for non-domestic buildings will come in to force in autumn 2016 affecting the public sector estate and requiring energy performance to be improved.
  - In addition, the EU Energy Efficiency Directive (“Directive”) places obligations on the Scottish Government to renovate its own estate to meet at least minimum national energy standards. In addition, the Directive requires central government to promote this policy across the wider public sector.

- Increasing sustainable economic growth is important if we are to create a more successful country, with opportunities for all of Scotland to flourish. Promoting the transition to a low carbon economy is a strategic priority within this.
  - Additionally, it is recognised that in a time of constrained public sector budgets it is necessary to facilitate wider, more innovative, financial approaches to funding the retrofit of the public sector estate which will also generate on-going revenue savings.
- 2.3. This ITT will put in place a NDEE support unit specifically designed to support public sector organisations that wish to undertake an energy efficiency retrofit project and call off Scottish Government's NDEE Framework(s)<sup>1</sup>, which supports Scottish Government's purpose as set out above.
- 2.4. The overarching aim of the NDEE support unit is to support users of the NDEE Framework(s) (Framework Public Bodies) to secure value for money through works and services that will: maximise energy savings, cut fuel bills and reduce carbon emissions in non-domestic public sector buildings in via the NDEE Framework(s).
- 2.5. The NDEE support unit will achieve this by supporting organisations to develop and tender services through the implementation of their retrofit projects. The NDEE support unit will be expected to have the capacity and capability to provide the full delivery service and to meet the targets and standards set out in this ITT. However, Scottish Government and the Framework Public Bodies have the flexibility to instruct others to deliver all or part of the services required to achieve these objectives. The Contract, ITT and procurement process aim to deliver the policy objectives as efficiently as possible through process and documentation which:
- (a.) is as succinct as possible, relying on legislation and existing industry standards as far as possible;
  - (b.) ensures good quality provision of project development support to public bodies looking to undertake mini competitions utilising the SG Non-Domestic Energy Efficiency Framework
  - (c.) is in line with Scottish Government approved standards and practice; and facilitates bidders in pricing the contract and the Scottish Government in awarding the contract to the best value bidder.

### 3. Brief description of Contract Services

- 3.1. It is anticipated that the role of the NDEE support unit will be to support users of the NDEE Framework(s) to develop documentation and issue tenders for available services. The support unit will also support Framework Public Bodies through the implementation, commissioning and measurement and verification of their retrofit projects. The NDEE support unit will be expected to provide a range of services, including but not limited energy efficiency services, technical and energy and buildings related services and related procurement support, The NDEE support unit must have the capacity to deliver and/or procure delivery of the NDEE support unit services across all regions of Scotland including the Highlands and Islands. Core work areas that we anticipate the NDEE support unit is expected to deliver include:

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<sup>1</sup> (see 'Supporting documentation') for more information on the Framework, [ITT Pack Volume 2: Legal Documents for Framework documentation and NDEE Buyers guide including the description of the NDEE Framework mini-competition process.

- 3.2. **Marketing and Engagement** – on-going promotion of Authority’s NDEE Framework(s), establish positive relationships with Framework Public Bodies in order to establish a pipeline of projects; set out the corporate approvals and senior management buy-in required to access the Contractor’s services and facilitate formal sign up to them. This includes, but is not limited to running annual events for public bodies to attend, holding contractor forums on a quarterly basis and attending other conferences and events to promote the NDEE Framework(s).
- 3.3. **Prepare** – assist Framework Public Bodies /users to determine user specific requirements, develop business cases, support Framework Public Bodies and other users in considering funding and financing opportunities and most appropriate procurement route under the NDEE Framework(s). This will include reviewing Framework Public Bodies’ long lists of buildings and associated data to assist in the identification of a short list of buildings for inclusion in the tender under the NDEE Framework(s) and guiding Framework Public Bodies on the gathering of more in depth, relevant data about short listed buildings for issue with the Invitation to Mini Competition (“ITMC”). This will include undertaking high level energy audits.
- 3.4. **Procure** - assist Framework Public Bodies to issue tender notices and ITMC packs; to run their mini competitions to select an NDEE Framework Contractor; provide support on tender evaluations and manage the completion of development contracts and Energy Performance Contracts (“EnPC”) - including requirements and support required for D&B and DBFM contracts - for the purposes of the NDEE Framework(s).
- 3.5. **Save** – facilitate the successful delivery of the contracts entered into pursuant to the Authority’s NDEE Framework(s) and provide technical quality assurance and guidance associated with these contracts. Support the achievement of high performance of the Authority’s NDEE Framework(s). The Contractor will support Framework Public Bodies to manage their NDEE Framework Contractors to complete their construction phases successfully; ensure the requisite Measurement and Verification (“M&V”) processes are completed, leading to Framework Public Bodies (or any other third parties making payments for the Framework Public Bodies) making the appropriate payments, as follows: -
- 3.6. For Design and Build (“D&B”) contracts to make Milestones 1 and 2 payments (in whatever structure agreed between the Framework Public Body and Contractor).
- 3.7. For Design Build Finance and Maintain (“DBFM”) contracts to make payments in accordance with the relevant payment mechanism.
- 3.8. For hybrid D&B/DBFM contracts to make payments in accordance with Milestones and the relevant payment mechanism for assets and services respectively, as required.
- 3.9. **Programme Support** – maintain and continuously improve, as appropriate, the existing range of processes to support Contractor’s activities; the existing range of templates, standardised documents and toolkits and develop and maintain a monitoring framework and database
- Note: all changes to process or documentation must be approved by the Authority prior to being made “live”.
- 3.10. Each Framework Public Body will be provided with a bespoke support service by the Contractor, which could range from part of a single core service, through to all core services, based on the needs of each Framework Public Body.

- 3.11. The Contractor has in its Tender submission defined the deliverables and outputs it will produce to deliver all services detailed in this Specification. However, the Authority and Framework Public Bodies will not be bound to engage the Contractor to deliver any or all of these services.

#### **4. Service Provider and supply chain**

- 4.1 It is anticipated the NDEE support unit services will be provided via a single supplier framework (Support Framework) which will initially run for a period of three years commencing 1<sup>st</sup> March 2020, with one possible one year extension.
- 4.2 The NDEE support unit must be capable of delivering the requirement, across all required service disciplines and all parts of Scotland.
- 4.3 The NDEE support unit must apply a transparent and robust approach to the establishment, management and continuous improvement of its supply chain for delivering the Requirement.
- 4.4 Scottish Government encourages the inclusion of small to medium size enterprises (SMEs) in delivering the requirement
- 4.5 The NDEE support unit must report to Scottish Government on SME participation in the delivery of NDEE support unit Services.

#### **5. Whole Scotland Approach**

- 5.1 The Support Framework applies a single service standard to the whole of Scotland from which Framework Public Bodies will be able to call off required NDEE support unit services via call off contracts.

#### **6. Framework period – 3 years (extendable to up to 1 years)**

- 6.1 The initial Support Framework period is three years. The Support Framework may be extended by a one year extensions at the sole discretion of the Scottish Government. In total, the Support Framework period shall be no more than 4 years.
- 6.2 The Support Framework Contract and Call Off contract are included at Part 3 to this ITT.

#### **7. Estimated Framework Value**

- 7.1 The Support Framework contract value is estimated to be up to £2 million in aggregate for the full 4 year period.

#### **8. Measuring outcomes**

- 8.1. The NDEE support unit will report upon outcomes arising from the delivery of NDEE support unit Services, making use of the contract and management information that SG's NDEE Framework Contractors are required to provide in terms of their Reporting obligations, including that set out in Schedule 4 to SG's NDEE Framework Contract.
- 8.2. The NDEE support unit will be required to produce, develop and/or maintain templates, tools and models to support Framework Public Bodies and deliver its services to them. Any data collected and / or tools and models originated or

developed as part of this contract will remain the property of the Crown following the end of the maximum 4 year term.

## 9. Use of Framework

- 9.1. It is intended the NDEE support unit services will be provided primarily to Framework Public Bodies planning to call off from the NDEE Framework. The Scottish Government reserve the right to allow use of the Support Unit for other similar projects.
- 9.2. The NDEE Support Unit will be available for use by the Scottish Ministers (including Agencies), Scottish Non-Departmental Public Bodies, offices in the Scottish Administration which are not ministerial offices, cross-border public authorities within the meaning of section 88(5) of the Scotland Act 1998, the Scotland Office, the Scottish Parliamentary Corporate Body, councils constituted under section 2 of the Local Government etc. (Scotland) Act 1994, the Scottish Fire and Rescue Service, the Scottish Police Authority, Scottish health boards or special health boards, bodies registered as social landlords under the Housing (Scotland) Act 2001, Student Loans Company Limited, the Forestry Commission, the Commissioner of Northern Lighthouse operating as the Northern Lighthouse Board, Equality and Human Rights Commission, Business Stream Ltd, the Business Gateway National Unit at the Convention of Scottish Local Authorities, any public body established by or under the Scotland Act 1998 or any Act of the Scottish Parliament, any association of or formed by one or more of the foregoing, bodies financed wholly or mainly by one or more of the foregoing, bodies subject to management supervision by one or more of the foregoing and bodies more than half of the board of directors or members of which, or, in the case of a group of individuals, more than half of those individuals, being appointed by one or more of the foregoing.

In addition to the contracting authorities listed, the framework agreement will be available to charities entered on the Scottish Charity Register and voluntary organisations entered on the Membership Database of the Scottish Council for Voluntary Organisations. A guide to all public bodies, including agencies of the Scottish Ministers and offices in the Scottish Administration which are not ministerial offices is available at: <http://www.gov.scot/Topics/Government/public-bodies/about/Bodies>

Scottish Non-Departmental Public Bodies are listed at:  
<http://www.scotland.gov.uk/Topics/Government/public-bodies/about/Bodies>

Information about the Review of Public Procurement in Scotland and links to the other Centres of Expertise are available at:  
<http://www.scotland.gov.uk/Topics/Government/Procurement>

- 9.3. No public sector body is committed to place an order under the Framework Agreement.

## 10. Pricing

- 10.1. A detailed explanation can be found in Part 3 Schedule 2 - Pricing but, in summary, the Scottish Government will pay 90% of costs associated with project support and the agreed day rates. The final 10% of costs related to agreed project support costs can only be drawn down against key performance indicators (KPIs) as set out at Part 3 Schedule 2 - Pricing.

10.2. The data provided by the NDEE support unit to the Scottish Government in terms of the NDEE support unit Framework Contract will support the measurement of the following outcomes, either directly or by appropriate extrapolation and modelling:

- Framework Public Body call-off contracts supported
- Carbon Saved
- Capital Invested
- Project Delivery
- Substantive Complaints Upheld

10.3. Subject to the 90%/10% payment arrangement described above. The Scottish Government will cover all 100% of the NDEE support unit costs up to a maximum of £50,000 for an individual project. In the event the £50,000 maximum sum per project has been reached, the individual Framework Public Body will require paying any further costs for the NDEE support unit services agreed in terms of the call off contract in relation to its project. The NDEE support unit will be expected to keep such costs to a minimum and for these to be charged appropriately in accordance with the rates set out in the Support Framework agreement. Full details are set out within Part 3 Schedule 2 - Pricing.

10.4 A maximum of 5% of the overall NDEE support unit budget shall be allocated to Marketing and Engagement and Programme Support over the period of the Support Framework. This is to ensure the focus of the NDEE Support Unit services is project support.

10.5 It is anticipated that the NDEE support unit will provide Scottish Government with itemised invoices in respect of the agreed services provided to each Framework Public Bodies in accordance with the terms of the Support Framework Agreement and call off contract and reflecting agreed Prepare, Procure and Save payment milestones as appropriate to the particular service being provided to each Framework Public Body.

## **11. Referrals**

11.1. The NDEE support unit will be notified of or receive project referrals from the Low Carbon Infrastructure Transition Programme, the Energy Savings Trust, Resource Efficient Scotland Programme, Scottish Futures Trust, Health Facilities Scotland or Scotland Excel and any other organisation as set out in Part 3 Schedule 1 - Specification, or as notified by Scottish Government to the NDEE support unit. Any such All referrals will be subject to LCITP approval, via an approved LCITP enquiry form then a related call off contract between the NDEE support unit and Framework Public Body for the NDEE support unit services, approved by the LCITP and Framework Public Body.

## **12. Quality Assurance and Audit**

12.1. The NDEE Support Unit will be responsive to any quality assurance and/or audit conducted by any professional body or administrator, for example by Audit Scotland or the Managing Authority for Scotland's European Regional Development Fund (ERDF).

**13. Current service and demand for service**

13.1. The NDEE support unit will be available to support projects across the Scottish public sector and the third-sector. During the lifetime of the current NDEE Framework to date there has been an estimated £30 million worth of capital invested, providing an estimated £4.3 million per annum energy bill saving and an estimated annual carbon saving of 17,826 tCO<sub>2</sub>

**14. Governance and oversight**

14.1 Governance and oversight will be led by Scottish Government's Low Carbon Infrastructure Transition Programme. Full details on the contract management arrangements are set out at Part 3 Schedule 4 - Governance and Management Arrangements.

## ANNEX 1A

### 1. The Non Domestic Energy Efficiency Framework

The Non Domestic Energy Efficiency framework is currently being procured by Scottish Government with the intention for it to be go live from 1 March 2020. It is a multi-lot, multi supplier Scotland wide framework.

The purpose of the Framework is to enable the delivery of NDEE retrofit projects that meet the breadth of requirements of the Scottish public sector, including funding and borrowing constraints, service and estate requirements. The Framework may also be used by third sector organisations.

#### 1.1. Governance, Management and Support

Scottish Government, via Scottish Procurement, own the Framework for governance and management purposes. It is undertaking the Framework procurement process function and will manage aspects of the Framework once it is in place. The NDEE support unit will have to develop a strong working relationship to ensure that effective communication between users of the framework and themselves result in appropriate updates and modifications to framework documentation as necessary.

It is anticipated that day to day management of call-offs from the framework will be provided through the NDEE support unit.

#### 1.2. Scope of Projects

1.1. The NDEE Framework will cover NDEE retrofit, in its broadest sense, to public sector buildings and grounds including the installation of a wide range of energy efficiency assets that may include, but not limited to:

- prefabricated energy centres;
- combined heat and power units;
- energy efficient boilers – **zero carbon heat options must be considered where boilers are being installed through this framework**
- voltage management units;
- controls outstations;
- luminaires, lighting controllers and other lighting assets.

1.2. Public Bodies have the ability to undertake a single ITMC to appoint a contractor to undertake a programme of multiple projects.

1.3. The financing of projects may involve:

- 1.1.1. capital funding by the procuring authority;
- 1.1.2. utilising Contractor funding;
- 1.1.3. utilising third party finance; or
- 1.1.4. a combination of (i) (ii) and (iii)

1.4. It is anticipated that individual projects will vary in value.

- 1.5. Ultimate delivery of services by way of Call-Off-Contract under the Framework will be based upon an EnPC with a performance guarantee capable of delivering on the basis of:
- design and build;
  - design, build and operate;
  - design, build, operate, finance; or
  - design, build, operate, finance and maintain
- 1.6. At a project level, energy efficiency will be achieved through the installation of project specific energy efficiency assets, supported, where necessary, by the delivery of particular energy conservation services (ECS) and underpinned by an energy performance guarantee. Projects can be delivered through targeted and bespoke procurement for each procuring authority, provided for in an EnPC. Installed energy efficiency assets are defined as Energy Conservation Measures (ECM) and projects are envisaged to include a range of assets.
- 1.7. Automatic Meter Reading (AMR) is envisaged as an essential asset for the majority of NDEE projects. Where existing AMR assets require to be replaced / extended to meet the requirements of a project, the cost of their supply and installation are to be covered by the EnPC contract, but AMR will be deemed to have a zero energy cost saving.
- 1.8. The EnPC will include the delivery of a wide range of energy efficiency assets, from zero carbon boilers and chillers to heat emitters, meters and controllers. The following is a list of some of the ECM categories that may be delivered as part of an EnPC, listed in an order to promote energy management hierarchy and facilitate transparency of interactive effects:
- ECM1 AMR: Automatic Metering Reading (AMR) assets including meters, loggers, communication devices and reporting software.
  - ECM2 Passive: Solar shading devices, natural ventilation grilles and other passive renewable energy assets.
  - ECM3 Building Fabric: Insulation panels, mats etc. and other items to improve the thermal performance of the building envelope.
  - ECM4 HVAC: Heating, ventilation and air conditioning (HVAC) energy efficiency assets, such as efficient boilers, fans, chillers and heat emitters etc.
  - ECM5 HVAC Controls: Building energy management systems and other HVAC controllers.
  - ECM6 Lighting: Lighting and lighting controllers, including internal and external lighting inventories.
  - ECM7 Electrical: Electrical Equipment and Distribution assets, such as efficient motors, drives and other equipment and voltage management units
  - ECM8 LZC: Low and Zero Carbon plant and equipment, such as biomass boilers, solar thermal collectors, heat pumps, photovoltaic panels, combined heat and power units, etc.
  - ECM9 Specialist Systems: Energy efficiency retrofit equipment to specialist systems, e.g. swimming pool covers, lift motors, catering equipment controls, variable speed drives for process equipment, etc.)
  - ECM10 Water: Devices to manage water use through outlets such as taps, WC cisterns, urinals etc.
  - ECM11 Small Heat Networks as part of a wider Energy Efficiency project
  - ECM12 Other: Other energy efficiency assets to improve building energy performance.

1.8.1.1. The Scottish Government are committed to promoting zero carbon heat solutions and therefore during the life of the framework it is anticipated that the ability for Public Bodies to install gas powered heating plant (this does not include using gas as a back-up/contingency) will be removed from the scope of this framework.

#### 1.9. Mandatory Services

1.9.1. Measurement and Verification Services shall be required in all projects. The M&V service is important due to the role it has in identifying achievement of the Guaranteed Energy Cost Performance, and the Payment Mechanism Deductions associated with non-performance.

1.9.2. Section 4.26 of this document outlines requirements of the service that must be applied whilst the exact requirements and standards for the managed service shall be identified by the Framework Public Body in its Invitation to Mini-Competition (ITMC), as relevant refined at the Development Contract stage to reflect the Preferred Bidder's Investment Grade Proposal and included in Section 1 of Schedule Part 12 (Services Requirements) of the EnPC.

1.9.3. The Contractor will be required to respond to the ITMC setting out in detail the Contractor's proposals (ITMC Proposals) to managing each service element. ITMC Proposals will be complied with throughout the term of the contract, with deductions levied where unavailability and non-performance is identified.

#### 1.10. Project Specific Services

1.10.1. The following paragraphs provide short descriptions of the elements that may form the managed services that a Contractor may be responsible for under a Call-off Contract. The nature of the service will be project specific and will be selected to meet the requirements of the Framework Public Body, i.e. not all managed services will necessarily be included in all projects. The managed services relating to energy conservation are termed Energy Conservation Services (ECS) and could include the following: -

- ECS1: Bureau Service
- ECS2: Maintenance of installed assets
- ECS3: Lifecycle
- ECS4: Behaviour Change

#### 1.11. Measurement & Verification Service

1.11.1. The Contractor will appoint and pay for impartial and independent measurement and verification of the energy performance delivery of the ECMs within the EnPC, in the form of a Measurement & Verification Service. This service will be required for all projects.

1.11.2. The Contractor will use the principles of the International Performance Measurement and Verification Protocol (IPMVP) to increase certainty, and reliability, through the delivery of a Measurement and Verification Plan (M&V Plan) to demonstrate the project's achievement relative to its goals of improving energy efficiency and saving money.

1.11.3. The M&V Plan will identify the actions and reporting required of the Contractor in the enactment of the Measurement and Verification Service for the project term.

1.11.4. The Contractor will ensure that the M&V Plan and subsequent monitoring and related tasks are undertaken by a Certified Measurement and Verification Professional (CMVP) (or equivalent).

#### 1.12. Bureau Service

1.12.1. The Contractor may be required to provide a Bureau Service that may include services such as:

- An Automatic Monitoring and Targeting (aM&T) and Energy Reporting Bureau Service
- A Building Energy Management System (BEMS) Bureau Service (24/7)

1.12.2. An aM&T and Energy Reporting Bureau Service may provide energy consumption monitoring, targeting and monthly reporting associated with the EnPC ECMs. Such energy reporting shall be provided to the Framework Public Body and their Energy Managers and will include clear consumption reporting, trend analysis (including reporting against agreed benchmarks/baseline performance and previous year performance), identification and resolution of issues within [the month], and where possible, improvement recommendations.

1.12.3. A BEMS Bureau Service may include the service management of identifying and monitoring performance of the ECMs, enabling Framework Public Body logging of issues and reporting on issue resolution throughout the EnPC. The BEMS Bureau Service may also provide a platform for reviewing controls and making adjustments of agreed ECMs to optimise and maintain performance.

#### 1.13. Behavioural Change

1.13.1. The Contractor may be required to provide a programme of behavioural change initiatives to support the Framework Public Body to encourage staff and facility users to adopt more energy efficient approaches to their use of the built environment.

1.13.2. Behavioural change initiatives shall be designed to optimise energy efficiency of the Framework Public Body's facilities, and minimise interactive effects with ECMs. Initiatives may take the form of a range of approaches including information provision, training provision and awareness campaigns. The Contractor will be expected to report on, and evidence, initiatives that are agreed as part of behavioural change plan.

## 2. **Accreditation**

2.1. Where the contractor, or their sub-contractor, are undertaking works which are electrical in nature the contractor must ensure SELECT (or equivalent) accreditation is held.

2.2. Where the contractor, or their sub-contractor, are undertaking works which are gas related the contractor must ensure Gas Safe Register accreditation is held.

2.3. Where the contractor, or their sub-contractor, are undertaking works involving microgeneration technologies used to produce electricity and heat from renewable sources the contractor must ensure MSC (or equivalent) certification is held.

## 2. General Requirements (Scope of Requirements)

- 2.1. The NDEE Framework will cover NDEE retrofit, in its broadest sense, to public sector buildings and grounds including the installation of a wide range of energy efficiency assets that may include, but not limited to:
- prefabricated energy centres;
  - combined heat and power units;
  - energy efficient boilers – *zero carbon heat options must be considered where boilers are being installed through this framework*
  - voltage management units;
  - controls outstations;
  - luminaires, lighting controllers and other lighting assets.
- 2.2. Public Bodies have the ability to undertake a single ITMC to appoint a contractor to undertake a programme of multiple projects.
- 2.3. The aggregate value of projects forecasted to be procured through Lot 2 of the Framework is estimated to be in the range of £40 m - £80 m within the 4 year Framework term (including optional 12 month extensions) with the options to fund projects via revenue and capital budgets.
- 2.4. The financing of projects through this Lot may involve:
- 2.4.1. capital funding by the procuring authority;
  - 2.4.2. utilising Contractor funding;
  - 2.4.3. utilising third party finance; or
  - 2.4.4. a combination of (i) (ii) and (iii)
- 2.5. It is anticipated that only projects (including a programme of projects, as appropriate) with a capital expenditure (capex) of more than £1m will use either finance options (ii) or (iii) above. A minimum value of £1m is required on the capital funding option but individual projects will vary in value. This Lot provides public bodies with the ability to procure a programme of projects with a minimum value of £1m.
- 2.6. Ultimate delivery of services by way of Call-Off-Contract under the Framework will be based upon an EnPC with a performance guarantee capable of delivering on the basis of:
- design and build;
  - design, build and operate;
  - design, build, operate, finance; or
  - design, build, operate, finance and maintain
- 2.7. At a project level, energy efficiency will be achieved through the installation of project specific energy efficiency assets, supported, where necessary, by the delivery of particular energy conservation services (ECS) and underpinned by an energy performance guarantee. Projects can be delivered through targeted and bespoke procurement for each procuring authority, provided for in an EnPC. Installed energy efficiency assets are defined as Energy Conservation Measures (ECM) and projects are envisaged to include a range of assets.
- 2.8. Automatic Meter Reading (AMR) is envisaged as an essential asset for the majority of NDEE projects. Where existing AMR assets require to be replaced /

extended to meet the requirements of a project, the cost of their supply and installation are to be covered by the EnPC contract, but AMR will be deemed to have a zero energy cost saving.

2.9. The EnPC will include the delivery of a wide range of energy efficiency assets, from zero carbon boilers and chillers to heat emitters, meters and controllers. The following is a list of some of the ECM categories that may be delivered as part of an EnPC, listed in an order to promote energy management hierarchy and facilitate transparency of interactive effects:

- ECM1 AMR: Automatic Metering Reading (AMR) assets including meters, loggers, communication devices and reporting software.
- ECM2 Passive: Solar shading devices, natural ventilation grilles and other passive renewable energy assets.
- ECM3 Building Fabric: Insulation panels, mats etc. and other items to improve the thermal performance of the building envelope.
- ECM4 HVAC: Heating, ventilation and air conditioning (HVAC) energy efficiency assets, such as efficient boilers, fans, chillers and heat emitters etc.
- ECM5 HVAC Controls: Building energy management systems and other HVAC controllers.
- ECM6 Lighting: Lighting and lighting controllers, including internal and external lighting inventories.
- ECM7 Electrical: Electrical Equipment and Distribution assets, such as efficient motors, drives and other equipment and voltage management units
- ECM8 LZC: Low and Zero Carbon plant and equipment, such as biomass boilers, solar thermal collectors, heat pumps, photovoltaic panels, combined heat and power units, etc.
- ECM9 Specialist Systems: Energy efficiency retrofit equipment to specialist systems, e.g. swimming pool covers, lift motors, catering equipment controls, variable speed drives for process equipment, etc.)
- ECM10 Water: Devices to manage water use through outlets such as taps, WC cisterns, urinals etc.
- ECM11 Heat Networks as part of an Energy Efficiency project
- ECM12 Other: Other energy efficiency assets to improve building energy performance.

2.9.1.1. The Scottish Government are committed to promoting zero carbon heat solutions and therefore during the life of the framework it is anticipated that the ability for Public Bodies to install gas powered heating plant (this does not include using gas as a back-up/contingency) will be removed from the scope of this framework.

## 2.10. Mandatory Services

2.10.1. Measurement and Verification Services shall be required in all projects. The M&V service is important due to the role it has in identifying achievement of the Guaranteed Energy Cost Performance, and the Payment Mechanism Deductions associated with non-performance.

2.10.2. Section 4.26 of this document outlines requirements of the service that must be applied whilst the exact requirements and standards for the managed service shall be identified by the Framework Public Body in its Invitation to Mini-Competition (ITMC), as relevant refined at the Development Contract stage to reflect the Preferred Bidder's Investment Grade Proposal and included in Section 1 of Schedule Part 12 (Services Requirements) of the EnPC.

2.10.3. The Contractor will be required to respond to the ITMC setting out in detail the Contractor's proposals (ITMC Proposals) to managing each service element. ITMC Proposals will be complied with throughout the term of the contract, with deductions levied where unavailability and non-performance is identified.

2.11. Project Specific Services

2.11.1. The following paragraphs provide short descriptions of the elements that may form the managed services that a Contractor may be responsible for under a Call-off Contract. The nature of the service will be project specific and will be selected to meet the requirements of the Framework Public Body, i.e. not all managed services will necessarily be included in all projects. The managed services relating to energy conservation are termed Energy Conservation Services (ECS) and could include the following: -

- ECS1: Bureau Service
- ECS2: Maintenance of installed assets
- ECS3: Lifecycle
- ECS4: Behaviour Change

2.12. Measurement & Verification Service

2.12.1. The Contractor will appoint and pay for impartial and independent measurement and verification of the energy performance delivery of the ECMs within the EnPC, in the form of a Measurement & Verification Service. This service will be required for all projects.

2.12.2. The Contractor will use the principles of the International Performance Measurement and Verification Protocol (IPMVP) to increase certainty, and reliability, through the delivery of a Measurement and Verification Plan (M&V Plan) to demonstrate the project's achievement relative to its goals of improving energy efficiency and saving money.

2.12.3. The M&V Plan will identify the actions and reporting required of the Contractor in the enactment of the Measurement and Verification Service for the project term.

2.12.4. The Contractor will ensure that the M&V Plan and subsequent monitoring and related tasks are undertaken by a Certified Measurement and Verification Professional (CMVP) (or equivalent).

2.12.5. Bureau Service

2.12.5.1. The Contractor may be required to provide a Bureau Service that may include services such as:

- An Automatic Monitoring and Targeting (aM&T) and Energy Reporting Bureau Service
- A Building Energy Management System (BEMS) Bureau Service (24/7)

2.12.5.2. An aM&T and Energy Reporting Bureau Service may provide energy consumption monitoring, targeting and monthly reporting associated with the EnPC ECMs. Such energy reporting shall be provided to the Framework Public Body and their Energy Managers and will include clear consumption reporting, trend analysis (including reporting against agreed

benchmarks/baseline performance and previous year performance), identification and resolution of issues within [the month], and where possible, improvement recommendations.

- 2.12.5.3. A BEMS Bureau Service may include the service management of identifying and monitoring performance of the ECMs, enabling Framework Public Body logging of issues and reporting on issue resolution throughout the EnPC. The BEMS Bureau Service may also provide a platform for reviewing controls and making adjustments of agreed ECMs to optimise and maintain performance.

### 2.13. Maintenance of the installed ECMs

- 2.13.1. The Contractor may be required to provide an operations and maintenance service that might range between
- 2.13.2. Provision of a regular supply of consumables for an ECM, such as lamps following a lighting replacement
- 2.13.3. Provision of a comprehensive operation and maintenance service covering both programmed and reactive maintenance, for example following installation of a new Combined Heat & Power (CHP) unit.
- 2.13.4. The maintenance obligations will vary dependent on the proposed ECMs and the Framework Public Body's requirements. Varying levels of maintenance services may be required for a single project where multiple ECMs are provided.
- 2.13.5. Ultimately, all services provided pursuant to Call-Off Contracts must ensure that the agreed scope of operation and maintenance is undertaken in line with Good Industry Practice, in order that the ECMs continue to operate effectively and with minimal disruption to Framework Public Body operations. Compliance shall be reviewed and reported upon against the ITMC Proposals that form part-of the EnPC.

### 2.14. Lifecycle

- 2.14.1. The Contractor may be required to provide long term maintenance in relation to the ECMs, ensuring the continued delivery of the energy performance for the full project term. The service should balance the requirements of the EnPC (including handback requirements) for the economic life of assets against the value for money of the project as a whole.

### 2.15. Behavioural Change

- 2.15.1. The Contractor may be required to provide a programme of behavioural change initiatives to support the Framework Public Body to encourage staff and facility users to adopt more energy efficient approaches to their use of the built environment.
- 2.15.2. Behavioural change initiatives shall be designed to optimise energy efficiency of the Framework Public Body's facilities, and minimise interactive effects with ECMs. Initiatives may take the form of a range of approaches including information provision, training provision and awareness

campaigns. The Contractor will be expected to report on, and evidence, initiatives that are agreed as part of behavioural change plan.

### **3. Accreditation**

- 3.1. Where the contractor, or their sub-contractor, are undertaking works which are electrical in nature the contractor must ensure SELECT (or equivalent) accreditation is held.
- 3.2. Where the contractor, or their sub-contractor, are undertaking works which are gas related the contractor must ensure Gas Safe Register accreditation is held.
- 3.3. Where the contractor, or their sub-contractor, are undertaking works involving microgeneration technologies used to produce electricity and heat from renewable sources the contractor must ensure MSC (or equivalent) certification is held.

Appendix A – Community Benefit Outcomes

Please note the below will not form any part of the Tender Evaluation.

The below are examples and other Community Benefits can be agreed/delivered.

A	B	C	D
COMMUNITY BENEFIT OUTCOMES	DESCRIPTION	COMMUNITY BENEFIT POINTS PER BENEFIT DELIVERED	Examples of Community Benefits that could be achieved through the Contract
<b>Communications / Waste Awareness Initiatives</b>	Work with the Clients to deliver annual kerbside recycling awareness raising activities  <b>Guidance Note:</b> <i>To achieve the full number of points please detail what support you will provide for each year of the contract</i>	25	Yearly Household Waste & Recycling Service awareness raising campaign Yearly printed materials for events Yearly Doors Open experience targeted at the general public Creation/delivery of educational initiatives/outcomes with schools. This will be to encourage on-going learning and development of 'reduce, re-use and recycling' during performance of the contract. This will be accompanied by a statement on how positive outcomes associated with that engagement will be measured;
<b>Modern Apprenticeships</b>	Create a new Apprenticeship Position registered with a sector skills body	50	Either onsite within the Company; within a Client; or provide support to deliver locally
<b>Graduate Internship</b>	New graduate intern position created for a university graduate	50	Either onsite within the Company; within a Client; or provide support to deliver locally
<b>Creation/Delivery of Employment</b>	Creation/delivery of employment opportunities persons from within disadvantaged groups to include but not necessarily be restricted to disadvantaged groups or those with protected characteristics	50	Either onsite within the Company; within a Client; or provide support to deliver locally

	within youth and disabled groups)		
<b>Trainee Position</b>	Offer structured training places to new entrant leading to industry recognised qualifications	40	Either onsite within the Company; within a Client; or provide support to deliver locally
<b>Environmental Enhancement</b>	Deliver or support an environmental project	25	Support for an environmental project
<b>Community Enhancement</b>	Deliver community enhancement projects either physical or social	25	Physical/regeneration project Organisation business development Sponsorship Support for a community project
<b>Work Experience Placement</b>	Provide a structure period of work experience for a pupil, student or trainee	15	(A minimum of 4 weeks is required to achieve 15 points i.e. 1 x student for 4 weeks or 4 x students for 1 week)
<b>Education Support Initiative</b>	Working with pupils or students to deliver education support initiatives which have a direct relevance to the contract	15	Doors Open experience targeted at schools/college Industry awareness days or workshops for school pupils or college students Structured career events for school pupils or college students Workplace visits for school pupils or college students (minimum of 10 students to qualify) School mentoring or enterprise/vocational programme Creation/delivery of educational initiatives/outcomes with schools. This will be to encourage on-going learning and development of 'reduce, re-use and recycling' during performance of the contract. This will be accompanied by a statement on how positive outcomes associated with that engagement will be measured;

<p><b>S/NVQ Training</b></p>	<p>S/NVQ Training for existing or new employees</p>	<p>25</p>	<p>S/NVQ's or equivalent for existing employees                      S/NVQ's or equivalent for new entrants                      S/NVQ's or equivalent for subcontract staff</p>
<p><b>Supply Chain Development Activity</b></p>	<p>Support for local businesses</p>	<p>15</p>	<p>Supply Chain Briefings with SME's                      Business Mentoring with SME's                      Business Support for Social Enterprises, Supported Businesses, Third Sector Organisations                      Mentoring Third Sector Organisations</p>