

# **Provisional Tender Information**

for

Local Energy Framework

Contract Reference Number: GLA 81635

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## 1. INTRODUCTION

**NOTICE TO BIDDERS: ALL INFORMATION PROVIDED IN THIS DOCUMENT IS SAMPLE INFORMATION AND IS SUBJECT TO CHANGE. IT SHOULD NOT BE CONSIDERED AS FINAL AND COMPLETE INFORMATION.**

- Transport for London (TfL) has issued a Prior Information Notice (PIN) on TED (Tenders Electronic Daily) the online version of the 'Supplement to the Official Journal of the European Union' (OJEU) on behalf of the Greater London Authority (GLA), who is the Contracting Authority.
- Procurements for GLA is managed and conducted by TfL.
- The purpose of this PIN is to inform the market of an upcoming tender opportunity for the procurement of a Local Energy ("LE") Framework. This is a re-tender of the existing GLA's framework 'Decentralised Energy - GLA 80814' which is due to expire in 25 June 2021 (commenced in June 2017).
- The procurement is being conducted in accordance with the Restricted Procedure, under Directive 2014/24/EU (public) on the award of public sector contracts, as implemented in the UK by the Public Contracts Regulations 2015 ("PCR 2015").
- Interested Parties/Bidders are not permitted to make direct contact with any of the Authorities personnel in relation to this tender. All communications relating to this PIN must be made via the TfL e-tendering portal.
- This PIN is not an invitation to tender and does not constitute a call for competition to procure any services, supplies or works for GLA. GLA is not bound to accept any proposals offered. Its purpose is to raise market awareness and allow interested parties with appropriate experience to express their interest in the GLA Framework.
- TfL request interested parties to submit their expression of interest to this PIN by the deadline provided on the e-tendering portal.
- Estimated date for publication of OJEU Notice is Nov/Dec 2020.
- The Framework is required for GLA's Local Energy Accelerator (LEA) (the "Programme"), which is part of the Mayor's Energy for Londoners (EfL) Programme and is one of a series of 'accelerators' designed to speed up the cutting of carbon emissions, decarbonising local energy supply, reducing demand for and improving the flexible use of energy, to achieve net zero carbon by 2030.

- The Programme will make a significant contribution to the Mayor's target of 15 per cent of London's energy demand to come from clean and renewable decentralised energy by 2030, and the objective to develop clean and smart, integrated energy systems utilising local and renewable energy resources.
- To support this Programme the LE Framework is required to provide access to specialist energy consultancy services for the provision of technical, commercial, financial, and other advisory and support services to help Public Sector (including the GLA group, Local Authorities, NHS Trusts, Housing Associations and educational establishments) and private sector organisations develop, procure and bring into operation Local distributed energy (LDE) schemes that deliver significant CO<sub>2</sub> reductions at market-competitive prices.
- The LE Framework will be jointly funded by the Greater London Authority and the European Regional Development Fund (ERDF).
- The GLA requires a Framework Agreement to be put in place for June 2021, for a duration of 3 years with an option to extend for 1 further year.
- This will be a multi-supplier Framework with various Lots that have been categorised to meet the individual requirements of the LEA. The Lots are further divided into Sub-Lots.
- Service Providers can apply for any number of Lots and they will be awarded a place on the Framework against the Sub-Lots they qualify for.
- In the Invitation to Tender (ITT Stage) the top 10 highest scoring Bidders against each Sub-Lot shall be awarded a place on the Framework.
- The individual Framework Agreements established with each Service Provider will be of nil value. The Contracting Authority does not guarantee any services/spend to the Service Provider by being on the Framework.
- The estimated value of the Framework spend is 4,000,000 GBP to 15,000,000 GBP.
- The Framework services will be utilised via a Mini-Competition call-off exercise under any specific Sub-Lot with the awarded Services Providers, as required by the Contracting Authority or other Contracting Bodies. Subsequently leading to a Call-off Contract being put in a place (each call-off order being a contract in its own right). Any specific requirements (within the confines of the scope of the OJEU Contract Notice) for any Contracting Body shall be annotated in the Call-off Contract.

## 2. ORGANISATION BACKGROUND

### 2.1 Greater London Authority – Overview

The Greater London Authority (GLA) was established by the GLA Act 1999. Its staff is appointed by the [Head of Paid Service](#), the GLA's most senior official, and serve both the [Mayor of London](#) and the [London Assembly](#).

The corporate roles undertaken by GLA staff include:

- [Spending money wisely](#) – the GLA's budget and business planning documents clearly set out how Londoners' money is being spent
- [Maintaining high standards](#) – the GLA upholds the highest standards of conduct and maintains registers of [gifts and hospitality](#) and of interests for its Members and senior staff.

Further background on what GLA does can be found on the GLA website here: <https://www.london.gov.uk/what-we-do>

### 2.2 Transport for London – Overview

Transport for London (TfL) was created in 2000 as the integrated body responsible for London's transport system. TfL is a functional body of the Greater London Authority. Its primary role is to implement the Mayor of London's Transport Strategy and manage transport services to, from and within London.

TfL manages London's buses, the Tube network, Docklands Light Railway, Overground and Trams. TfL also runs Santander Cycles, London River Services, Victoria Coach Station, the Emirates Air Line and London Transport Museum. As well as controlling a 580km network of main roads and the city's traffic lights, TfL also regulates London's taxis and private hire vehicles and the Congestion Charge scheme.

Further background on what TfL does can be found on the TfL website here: <https://tfl.gov.uk/corporate/about-tfl/what-we-do>

### 2.3 Further Information

Further information on TfL's procurement process can be found on the following website, and TfL expects that you will review the publicly available material:

<https://tfl.gov.uk/corporate/publications-and-reports/procurement-information?intcmp=3408>

### 3. THE REQUIREMENT

#### 3.1 Introduction

The Mayor has set out his ambition for London to be net zero carbon by 2030. To achieve this, GLA need to accelerate the scale and pace of clean local energy schemes operating in London.

Decarbonising quicker, in a cost-effective way with less disruption for all Londoners is critical given key developments such as: net zero commitments, heat decarbonisation pathways and rapid transport decarbonisation. Heat makes up nearly 50% of London's energy demand and how to decarbonise heat energy will have a considerable impact on the cost and rate at which London reaches net zero.

The LEA Programme is part of the Mayor's Energy for Londoners programme and one of a series of 'accelerators' designed to speed up the cutting of carbon emissions, decarbonising local energy supply, reducing demand for and improving the flexible use energy, to achieve net zero carbon by 2030.

The Programme will also make a significant contribution to the Mayor's target of 15 per cent of London's energy demand to come from clean and renewable decentralised energy by 2030<sup>1</sup> and the objective to develop clean and smart, integrated energy systems utilising local and renewable energy resources.

Clean energy schemes supported by the Programme will cut carbon emissions through distributed, flexible, resilient and low to zero carbon heat and power networks, systems and resources including electrification of transport.

The Programme will be delivered by the Greater London Authority within that area of London for which it has an administrative function. Its activities may extend to adjoining areas where opportunities arise.

Local distributed energy (LDE) resources (including heat networks, solar Photovoltaics (PV), heat pumps, energy storage, demand side flexibility, smart and vehicle-to-grid charging for electric vehicles) will be enabled into operation. The integration of clean power, heat and electrification of transport is a critical objective set out in the London Environment Strategy.

In addition to net zero commitments and climate emergency declarations, the contribution that LDE schemes can make to addressing wider environmental, social and economic issues is considerable, from improving air quality, helping to alleviate fuel poverty and creating economic growth and local employment around these schemes.

At this moment there is a lack of capacity and capability at the local authority (London Borough) level to bring forward the quantity (circa 120 schemes need to be built in 35

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<sup>1</sup> Current energy demand met from local distributed energy (LDE) is estimated at 2 per cent (London Environment Strategy, 2018) and without further intervention to support the market to mature, London will likely miss its 2030 LDE targets.

years – Zero Carbon Model, 2019) and quality of LDE schemes that London needs. There is, however, the policy and political commitment to seize the opportunities.

### **3.2 Programme Description**

The Programme will help London boroughs and the private sector with the significant resource and diverse set of skills, knowledge and expertise needed to get LDE schemes to market and deliver more across the city. The Programme will procure and direct technical, commercial, financial and other advisory and support services to help others develop, procure and bring into operation LDE schemes that deliver significant CO<sub>2</sub> reductions at market-competitive prices. Further beneficiaries may include domestic and commercial end users of energy generated by the schemes.

The Programme will provide support, coordination and know-how to help others to identify and realise their schemes. It will do this through a framework (this tender opportunity) of consultants with specialist technical, commercial, financial, and other related skills that will be managed and directed by the GLA.

The programme aims to:

- reduce carbon emissions by 20,000 tCO<sub>2</sub>e/annum
- increase renewable energy generation capacity by 3MW.

The programme will deliver packages of work in a step-by-step approach to build schemes from their early concept through to feasibility, business planning, procurement, construction and operation.

The schemes supported will be in priority areas of London, for example where the heat density is enough for district heating (DH) networks to be the most cost and carbon effective way of supplying heat to consumers in that area.

DH networks will wherever possible prioritise using waste heat as the source and allow for the integration of any local heat sources in order to exploit low and zero carbon heat sources available within the city, thus making a significant contribution in London's transition to a low and ultimately zero carbon energy system.

The delivery of these LDE schemes will leverage significant amounts of private and/or public sector finance and will create increasing demand in the LDE market.

The Project outcomes will:

- Achieve significant net CO<sub>2</sub> emission savings associated with the delivery and operation of the LDE schemes.
- Increase renewable energy generation capacity.
- Build confidence in, and de-risk markets.
- Inform and influence local and national Government policy and funding.
- Generate market efficiencies and common practices and standards.
- Identify strategically important LDE schemes and bring them to market.
- Bring stakeholders together to raise the skills, capacity and capabilities of public sector project beneficiaries to develop and deliver through public-private partnerships or procurement of private sector delivery.
- Enable expansion by facilitating the planning for and integration of LDE schemes.
- Facilitate the development of city-wide DH and smart grid networks.
- Enable London's energy system to economically transition to net zero by 2030, incorporating the use of local, clean and flexible renewable energy sources.

### **3.3 Framework Lots**

LEA will procure local energy consultancy services through categorised Lots as described below:

#### **Lot 1 - Technical**

In order to qualify, Tenderers will have to demonstrate strong and proven experience in distributed energy (DE) engineering and economics, centred on district heat networks supplied from waste and environmental heat sources, solar Photovoltaics (PV), heat pumps, energy storage, demand side flexibility, smart and vehicle-to-grid charging for electric vehicles district heating (DH) supplied from combined heat and power (CHP), waste and environmental heat sources.

The services on this Lot has been divided into the following sub-lots:

- Sub-Lot 1.1 - Energy Generation, Energy Centre Design and Controls
- Sub-Lot 1.2 - Energy Transmission, District Heating Network Design and Controls
- Sub-Lot 1.3 - Energy Distribution & Supply in Buildings, Secondary System Design and Controls
- Sub-Lot 1.4 - Feasibility Studies For DE Projects
- Sub-Lot 1.5 - Process and Technical Specifications & Costing For DE Projects
- Sub-Lot 1.6 - Energy Information & Communication Technology (ICT)

## **Lot 2 – Commercial and Financial**

In order to qualify, Tenderers shall demonstrate strong and proven experience in all the commercial and financial aspects of DE schemes.

The services on this Lot has been divided into the following sub-lots:

- Sub-Lot 2.1 - Business Case/Plan for Energy Projects
- Sub-Lot 2.2 - Delivery Vehicles, Ownership & Funding Structure for Energy Projects
- Sub-Lot 2.3 - Commercial Documentation for Energy Projects
- Sub Lot 2.4 - Financial Models for Energy Projects
- Sub-Lot 2.5 - Project Documentation from Inception to Market for Energy Projects

## **Lot 3 - Legal**

In order to qualify, Tenderers will have to demonstrate strong and proven experience in all the legal aspects of DE.

The services on this Lot has been divided into the following sub-lots:

- Sub-Lot 3.1 - Legal Documentation for Energy Schemes
- Sub-Lot 3.2 - EU and UK Energy Regulation, Electricity & Heat Markets and Licensing.

## **Lot 4 – Strategic**

In order to qualify, Tenderers shall demonstrate knowledge of DE technology and issues and a strong and proven experience in the preparation of all strategic and planning documentation relevant to DE schemes.

The services on this Lot has been divided into the following sub-lots:

- Sub-Lot 4.1 - Energy Strategies and Masterplanning
- Sub-Lot 4.2 - Energy Policy, Markets and Planning for DE and CHP in the UK.
- Sub-Lot 4.3 - Project Management