

EXECUTIVE BOARD – 22 SEPTEMBER 2015

Subject:	Renewable Energy Framework		
Corporate Director(s)/ Director(s):	Andy Vaughan, Strategic Director for Commercial and Neighbourhood Services		
Portfolio Holder(s):	Councillor Alan Clark, Portfolio Holder for Energy and Sustainability		
Report author and contact details:	Mark Bradbury, Infrastructure Delivery Manager mark.bradbury@nottinghamcity.gov.uk 0115 8761353		
Key Decision	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Subject to call-in	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Reasons: <input checked="" type="checkbox"/> Expenditure <input type="checkbox"/> Income <input type="checkbox"/> Savings of £1,000,000 or more taking account of the overall impact of the decision			<input checked="" type="checkbox"/> Revenue <input checked="" type="checkbox"/> Capital
Significant impact on communities living or working in two or more wards in the City			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Total value of the decision: £22,550,000.00			
Wards affected: All	Date of consultation with Portfolio Holder(s): 26 th August 2015		
Relevant Council Plan Strategic Priority:			
Cutting unemployment by a quarter			<input checked="" type="checkbox"/>
Cut crime and anti-social behaviour			<input type="checkbox"/>
Ensure more school leavers get a job, training or further education than any other City			<input checked="" type="checkbox"/>
Your neighbourhood as clean as the City Centre			<input type="checkbox"/>
Help keep your energy bills down			<input checked="" type="checkbox"/>
Good access to public transport			<input type="checkbox"/>
Nottingham has a good mix of housing			<input type="checkbox"/>
Nottingham is a good place to do business, invest and create jobs			<input checked="" type="checkbox"/>
Nottingham offers a wide range of leisure activities, parks and sporting events			<input type="checkbox"/>
Support early intervention activities			<input type="checkbox"/>
Deliver effective, value for money services to our citizens			<input checked="" type="checkbox"/>
Summary of issues (including benefits to citizens/service users):			
<p>This report outlines the requirements for Nottingham City Council (NCC) to procure a Renewable Energy Framework to enable the delivery of renewable energy infrastructure with a core focus on the Solar Photo Voltaic (PV) programme city wide.</p> <p>The delivery of these works is a key part of the City Council's commercialism strategy and the in-sourcing of delivery works where it is economically advantageous to do so. However, there are occasions when it's necessary for the Council to sub-contract due to the specialist nature of works, capacity constraints or financial expediency. The current Renewable Energy Framework comes to an end in October 2015 and the proposed framework will replace the existing one.</p> <p>The proposed framework agreement will also allow the Council to purchase the materials, scaffolding and support necessary to deliver the solar energy programme.</p> <p>The framework consists of 5 lots, namely, (1) materials (2) supply and fit, (3) specialist design, (4) resource support and (5) scaffolding. Each of these lots will enable the Council to focus on in-house delivery where appropriate. The estimated value of the 4 year framework is £20.35 million of which £6.0 million is already approved. The programme of delivery for the remaining sum is currently in development and will support the Council's strategic energy strategy and be subject to individual business case approval.</p> <p>Following initial contact from a number of local authorities looking to replicate our innovative internal delivery it is proposed that the total value of the framework be increased to £45.10 million to allow other contracting bodies (i.e. local authorities) to use the framework agreement on</p>			

payment of a fee. The suppliers on the framework will not be guaranteed any supply through the framework.

Exempt information: None

Recommendation(s):

- (1) To approve the procurement of a 4 year Solar PV framework for renewal energy split into 5 lots as set out in the main body of the report.
- (2) To approve the awarding of the framework to the suppliers successful in completing the fully OJEU (Official Journal of the European Union) and NCC compliant tendering process.
- (3) To delegate authority to award individual call-off contracts from the framework to the Strategic Director of Commercial and Neighbourhood Services within appropriate approval limits set out in financial regulations.

1 REASONS FOR RECOMMENDATIONS

- 1.1 The framework will enable the delivery of the Council's ongoing ambitious Solar PV programme up until 2020. This is in line with the City's Energy Strategy by meeting a proportion of the required PV installations. It will also help to reduce the Council's dependency on fossil fuels, reduce carbon emissions and utility costs, contribute to energy security and save money on energy bills.
- 1.2 It support the Council's strategic Energy Strategy objective to provide affordable heating, the Carbon Management Plan's commitments to reduce Council CO₂ emissions by 31% by 2020, and the Council's priority of job creation and reducing energy bills.
- 1.3 As part of the Council's commercialism agenda, this framework will also be opened up for other local other authorities to utilise for a fee. This demonstrates the Council's leadership in the energy arena, its commitment to effective partnership working, and could also provide a new revenue stream.

2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

- 2.1 The renewable energy delivery programme developed by the Council seeks to install solar panel infrastructure to Council owned buildings and land. The delivery programme is an ideal fit with the Council's commercialism strategy by providing an invest to save opportunity, whilst also delivering council projects through a highly skilled, in-house team within the Highways & Energy Infrastructure (HEI) Team.
- 2.2 This installation team has already gained Microgeneration Certification Scheme (MCS) accreditation and National Inspection Council for Electrical Installation Contracting (NICEIC) accreditation. These qualifications and industry standards are a prerequisite to access FIT payments. The FIT scheme is intended to encourage the uptake of small scale renewable and low-carbon technologies up to a total installed capacity (TIC) of 5MW located in England, Wales and Scotland. The FIT scheme creates an obligation for certain Licensed Electricity Suppliers to make tariff payments for the generation and export of renewable and low carbon electricity.
- 2.3 The Council's current Renewable Energy Framework comes to an end in October 2015. That framework agreement was procured in 2011 for the delivery of Solar PV schemes only. To enable continuation of the installations a new framework is required but this time with the inclusion of services and materials to support the in-

house delivery team. The new framework will enable the continuation of proving value for money delivery of these schemes

- 2.4 The decision to let a new framework has stemmed from a lack of national/regional frameworks suitable for delivery, especially to support our innovative in-house delivery team. Due to these factors, it is proposed that the framework agreement is made available to all public bodies with a fee of 0.5% of total orders being charged for the use of the framework. The level of interest from other Councils is unknown at this stage.
- 2.5 It is proposed that the framework agreement is broken down into the following lots to align with Highway and Energy infrastructure's flexible delivery model. Materials to support in house delivery, supply and installation to deliver schemes when internal resources are at full capacity, resource support to build on the in-house team to deliver larger projects, and specialist design to assist the in-house team in moving into more specialist areas without committing to full time resources prior to continuous work flow.

Solar PV Framework					
No.	Lots	Framework Partners	Estimated value of works 2016 - 2020 (4 Years)		
			NCC (million)	Partnering Authorities (million)	Total
1	Materials	3	10.00	10.00	20.00
2	Supply and Installation	3	6.00	6.00	12.00
3	Labour	3	2.00	2.00	4.00
4	Specialist Design	3	0.50	0.50	1.00
5	Scaffolding	3	2.00	2.00	4.00
Total			20.50	20.50	41.00

OJEU limit	
Additional 10% estimate for non programmed works	4.10
Total Estimated works for OJEU	45.10

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

- 3.1 Not delivering the Solar PV programme was rejected, as it forms part of the Council's commercialism strategy.
- 3.2 Doing nothing was rejected, as it would offer no contribution to the policy commitments or energy strategy.

4 FINANCE COMMENTS (INCLUDING IMPLICATIONS AND VALUE FOR MONEY/VAT)

- 4.1 There are currently approved Solar PV schemes with a total value of £10.432m within the Council Capital Programme, the letting of this framework contract will facilitate the delivery of these and future schemes.
- 4.2 All future schemes that will utilise this framework will be subject to individual approval within the Council decision making process based on a business case demonstrating an appropriate level of return to the Council. The returns made from these schemes will contribute towards the Council's Medium Term Financial Plan within the Energy and Waste Big Ticket.
- 4.3 The framework does not guarantee any value of supply to successful contractors, therefore, the Council is not committed to any expenditure. The approved schemes will need to be reviewed pending the outcome of the procurement exercise, if there are any significant variations that require additional approvals these will need to be obtained via the appropriate process.
- 4.4 A competitive procurement process will enable the Council to ensure that it obtains value for money in the procurement of materials for Solar PV schemes and maximises the returns from such schemes.

5 LEGAL AND PROCUREMENT COMMENTS (INCLUDING RISK MANAGEMENT ISSUES, AND INCLUDING LEGAL, CRIME AND DISORDER ACT AND PROCUREMENT IMPLICATIONS)

- 5.1 The only risk lies in not having these robust procurement methods in place to align with NCC delivery programme. HEI is responsible for identifying, managing and mitigating the programme delivery and associated risks. These are managed in line with the corporate risk management framework and mitigated through effective programme management and partnership working.
- 5.2 There are no significant legal issues arising from the report. Given the total estimated value of the project, a full tendering exercise will be undertaken through OJEU and in compliance with the Council's constitutional documentation.
- 5.3 Legal Section will assist in the preparation of appropriate framework terms and conditions and provide support during the procurement process.

6 SOCIAL VALUE CONSIDERATIONS

- 6.1 Not applicable

7 REGARD TO THE NHS CONSTITUTION

- 7.1 Not applicable

8 EQUALITY IMPACT ASSESSMENT (EIA)

- 8.1 Has the equality impact been assessed?

- (a) not needed (report does not contain proposals for new or changing policies, services or functions, financial decisions or decisions about implementation of policies development outsi



the Council)

- (b) No
(c) Yes – Equality Impact Assessment attached

Due regard should be given to the equality implications identified in any attached EIA.

9 LIST OF BACKGROUND PAPERS RELIED UPON IN WRITING THIS REPORT (NOT INCLUDING PUBLISHED DOCUMENTS OR CONFIDENTIAL OR EXEMPT INFORMATION)

9.1 None

10 PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT

10.1 None

11 OTHER COLLEAGUES WHO HAVE PROVIDED INPUT

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