# **Invitation to tender**

## **CEEQUAL Assessor Services for Heat the Streets**

### **1. Background**

### 1.1 The Project

Kensa Utilties Limited (KUL), a Kensa Group company, is a unique infrastructure asset company created to fund, own and maintain Shared Ground Loop Arrays.

**Heat the Streets** is a ground-breaking scheme delivering heavily subsidised ground source heat pumps to ~500 homes in Cornwall. The two-year, £8.7 million project developed by Cornish ground source heat pump infrastructure and asset company, KUL, is supported by £6.2 million of grants from the European Regional Development Fund (ERDF).

The project was awarded funding through the European Regional Development Fund England Operational Programme 2014 to 2020 under PRIORITY AXIS 4: Supporting the Shift Towards A Low Carbon Economy In All Sectors and specifically Priority Axis 4 (a): Promoting the production and distribution of energy derived from renewable sources and Priority Axis 4 (c): Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector.

The programme will be measured against the following outputs in accordance with ESIF-GN-1-002\_ERDF\_Output\_Indicators\_Guidance\_v 9:

Additional capacity for renewable energy production (C30) - The project will add 3.5 MW of renewable heat

Estimated Green House Gasses reductions (C34) – 786 tonnes of Green House Gasses will be saved each year following completion of works delivered by this project

Number of households with improved energy consumption classification (C31) – 500 households will benefit from improved energy consumption

1.2 The Product

**Heat the Streets** is pioneering a new business model that installs highly efficient low carbon ground source heat pumps on a street-by-street basis, making the technology accessible to more households across the country and helping the UK realise it’s ambitious net-zero carbon targets.

Every installation will benefit from a smart control with load shifting capability to reduce running costs. Project beneficiaries will own the internal components and pay an annual fee for connection to the ground array infrastructure which will remain the responsibility of KUL.

Installations will include borehole ground arrays, up to 180m deep and around 25cm diameter. Trenching will connect properties to the borehole heat exchangers. Inside the home, ground source heat pumps will be installed to upgrade the heat from the boreholes. Hot water cylinders will be installed to store domestic hot water and either radiators or underfloor heating will be designed and installed to suit the heat pump flow temperature and building heat losses.

We hope that some ground arrays will be installed in highways and footpaths which adds complexity compared to an individual installation within the curtilage of the property.

Following completion there will be very little evidence of the shared infrastructure as, excluding some manifolds, all infrastructure will be below ground.

Many of the installations will take place in the rural off-gas Cornish community of Stithians to create a sustainable ‘heat pump village’.

Works start on site in May 2022 and will continue until June 2023.

### 1.3 Rationale

Heating is the United Kingdom’s biggest source of carbon emissions, which are the fossil fuel gases that contribute to climate change. In June 2019, parliament passed legislation requiring the government to reduce the UK’s net emissions of greenhouse gases by 100% relative to 1990 levels by 2050. Doing so would make the UK a ‘net zero’ emitter. Prior to this, the UK was committed to reducing net greenhouse gas emissions by at least 80% of their 1990 levels, also by 2050.

The Energy Technologies Institute estimates that 20,000 households per week would need to be switched from the gas grid to low carbon heating between 2025 and 2050 to meet our current decarbonisation commitments

District heat networks are considered to be a low carbon solution. Currently supply only 2% of UK heat demand, predominantly gas-powered central plant, high heat loss, low consumer acceptance and trust.

Ground Source Heat Pumps (GSHP) offer carbon savings of over 60% compared to direct electric and fossil fuel heating systems. Over time these carbon savings will increase as more renewable energy sources are added to the grid.

There are several significant barriers to heat pump deployment at the scale required to meet the government’s target of 600,000 per year by 2028.

* High upfront cost
* Grid capacity
* High running cost compared to natural gas

**Heat the Streets** seeks to address each of these issues, demonstrating a solution for the decarbonisation of heat that works for consumers, industry and the environment.

#### 1.3.1 High upfront cost

By treating the ground array as shared infrastructure akin to the gas network. By charging an annual connection fee rather than the entire installation cost we can make installation more accessible for consumers.

Street by street installation rather than scatter gun approach is necessary to reduce the capital cost of infrastructure. This can only be achieved through significant investment and demonstration of the value of such an installation is required in order to unlock investment.

#### 1.3.2 Grid Capacity

With aging infrastructure, a wide variation in energy use across the year and throughout the day combined with the fluctuations in renewable energy generation it has been suggested that the grid can’t cope with the high additional capacity required to electrify heat.

Time of use tariffs provide incentives to move electrical consumption to times of the day that are not oversubscribed. Smart controls installed as standard in **Heat the Streets** homes come with automated load shifting capability. Machine learning predicts the heat up and cool down time of the property based on weather predictions, combines this with user preference and price signals from time of use tariffs and uses the information to schedule heat pump operation outside of periods of peak demand.

With GSHP delivering upwards of 325% efficiency and automated load shifting, the KUL Heat Network can deliver clean heating without the need for extensive upgrades to the National Grid. This can potentially save the UK billions of pounds whilst saving the environment. Every 4 million homes converted this way saves £30 billion (if using nuclear) or £6 billion (if using offshore wind).

#### 1.3.3 Running cost

The prevalence of gas boilers in the UK combined with the very low price of natural gas (~4p/kW hr compared to 17p/kW hr electricity) sets consumer expectations as to the cost of home heating.

For every kW of electricity, a ground source heat pump produces over 3kW of heat. By also using load shifting smart controls and a time of use tariff, the running cost of ground source heat pumps can be brought down lower than a gas system providing the same comfort level.

This allows KUL to charge a connection fee for use of the infrastructure without a significant increase in the annual cost to the customer.

### 2. **Tender Objectives**

2.1 KUL is seeking to commission the provision of CEEQUAL Assessor services. The Assessor is expected to work with the project team in order to support the obtaining of a CEEQUAL Whole Project (Excellent) award. The Assessor will be expected to attend site meetings (various locations in Cornwall) to identify the evidence required to meet the CEEQUAL award criteria.

2.2 Assessor role will include initial scoping out, meetings with the assigned Verifier, providing regular final score predictions and final assessment, including uploading evidence to the CEEQUAL system and final verification liaison.

2.3 **Heat the Streets** will be delivered across approximately 10 sites across Cornwall. The Tenderer is to advise if the **Heat the Streets** can be considered as the project using the Multi-Package Assessments process, rather than the multiple individual sites as the cost of registration and administration of multiple CEEQUAL projects is likely to exceed our available resources.

#### 2.4 Branding and Publicity Guidelines

This project is partly funded through ERDF and to raise awareness of the opportunities it offers the European Commission requires all European funded projects to actively promote and publicise that they have received investment and to acknowledge it on any publicity materials or project documentation relating to the funded activity. These requirements are set out in formal regulations and failure to comply with them may result in projects having to repay grant. Therefore, any material produced under this contract must comply with the EU Publicity regulations which is contained in the ERDF National Publicity Guidelines at Enclosure 1. All materials require the use of the KUL logo, ERDF logo and HMG Logo (see Enclosures 1, 2 and 3).

3. Tender Timetable

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| --- | --- |
| Milestone | Date |
| Publication of ITT | 17/05/2022 |
| Final date for receipt of clarifications | 24/05/2022 |
| Final date for response to clarifications | 27/05/2022 |
| Deadline to return tender | 01/06/2022 |
| Notification of outcome | 03/06/2022 |
| Contract signing | 10/06/2022 |
| Project inception meeting | 17/06/2022 |
| Project registration for CEEQUAL | 18/07/2022 |
| CEEQUAL assessment complete and verified | 15/05/2022 |

**4. Tender submission requirements**Please include the following information in your Tender submission.

**4.1 Covering letter (two sides of A4 maximum) to include:**
4.1.1 A single point of contact for all contact between the tenderer and KUL during the tender selection process, and for further correspondence.

4.1.2 Confirmation that the tenderer has the resources available to meet the requirements outlined in this brief and its timelines. Specifically, works will begin in May 2022 and complete by June 2023. CEEQUAL assessment must be completed and verified and all invoices submitted by May 2023 as there is a hard stop to funding for this project with no possibility of extension.

4.1.3 Confirmation that the tenderer accepts all the Terms and Conditions of the Contract attached Enclosure 4

4.1.4 Confirmation that the tenderer holds current valid insurance policies as set out below and, if successful, supporting documentation will be provided as evidence (see 10.1)

4.1.5 Confirmation that the tenderer will be able to meet the Corporate Requirements (see Section 10) to include confirmation that Equality and Diversity, Environmental and Data Protections policies are in place and, if successful, supporting documentation will be provided as evidence

4.1.6 Conflict of interest statement (see 10.10)

4.1.7 The lead assessor, offered in response to 4.2 must have a minimum 3 years CEEQUAL experience and have completed 3 successful assessments.

 **4.2** **Evidence of expertise in CEEQUAL Assessment**

4.2.1 Staff and Experience: evidence of the relevant experience of the staff who would carry out the work based directly on the nature of the work specified within this project (Max 1 page per person).

4.2.2 Company Experience: two examples of other relevant commissions held by your organisation with contact details of referees, approximate costs and outcomes and details of the similarities between the example and the work being tendered for (Max 2 pages per example)

**4.3 Proposal for Submission**

Organisations should prepare a proposal of no more than 5 pages setting out:

4.3.1 Your understanding of the requirements. **Heat the Streets** is being delivered by a small project team. Your response should cover your approach to supporting the project team achieve the desired CEEQUAL outcome with minimal impact on their existing workload.

4.3.2 A methodology outlining how you will approach / deliver the assessment which specifically addresses 2.2 and 2.3.

4.3.3 Any risks, mitigation or alternative delivery methods you think are relevant

4.4 Budget

Provide a breakdown of costs for the following elements:

4.4.1 A fixed fee for this work, to exclude VAT but include all BRE fees, travel and

other expenses

4.4.2 A schedule of day rates for any additional work that may be required

(this is for information only and will not be appraised as part of the tender

evaluation)

**5. Tender clarifications**Any clarification queries arising from this Invitation to Tender which may have a
bearing on the offer should be raised by email to:

**info@kensautilities.com by** 01/06/2022 and strictly in accordance with the Tender Timetable in section 3.

Responses to clarifications will be anonymised and uploaded by KUL to Contracts Finder and will be viewable to all tenderers.

No representation by way of explanation or otherwise to persons or corporations tendering or desirous of tendering as to the meaning of the tender, contract or other tender documents or as to any other matter or thing to be done under the proposed contract shall bind KUL unless such representation is in writing and duly signed by a Director/Partner of the tenderer. All such correspondence shall be returned with the Tender Documents and shall form part of the contract.

**6. Tender evaluation methodology**Each Tender will be checked for completeness and compliance with all requirements of the ITT. Tenders will be evaluated to determine the most economically advantageous offer taking into consideration the award criteria.

**Tender returns will be assessed on the basis of the following tender award criteria**

|  |  |
| --- | --- |
| Acceptable covering letter including confirmation of the requirementsdetailed at 4.1 | Pass/Fail |
| **4.2 Evidence of expertise in CEEQUAL Assessment** | 25 |
| 4.2.1 Staff and Experience: evidence of the relevant experience of the staff who would carry out the work based directly on the nature of the work specified within this project (Max 1 page per person). 4.2.2 Company Experience: two examples of other relevant commissions held by your organisation with contact details of referees, approximate costs and outcomes and details of the similarities between the example and the work being tendered for (Max 2 pages per example) |  |
| 4.3 **Proposal for Submission** | 35 |
| 4.3.1 Your understanding of the requirements. **Heat the Streets** is being delivered by a small project team. Your response should cover your approach to supporting the project team achieve the desired CEEQUAL outcome with minimal impact on their existing workload.4.3.2 A methodology outlining how you will approach / deliver the assessment which specifically addresses 2.2 and 2.34.3.3 Any risks, mitigation or alternative delivery methods you think are relevant |  |
| 4.4 Budget | 40 |
| A **fixed fee** for this work (exc VAT) including associated BRE fees, travel and other expensesThe lowest bid will be awarded the full 40 marks. Other bids will be awarded a mark that is proportionate to the level of their bid incomparison to the lowest bid i.e. Marks awarded = 40 x lowest bid / bid |  |

**7. Assessment of the Tender**The reviewer will award the marks depending upon their assessment of the applicant’s tender submission using the following scoring to assess the response:

|  |
| --- |
| **Scoring Matrix for Award Criteria** |
| Score  | Judgement  | Interpretation |
| 100%  | Excellent  | Exceptional demonstration of the relevant ability,understanding, experience, skills, resource and/or quality |
| 80%  | Good  | Above average demonstration of the relevant ability,understanding, experience, skills, resource and/or qualitymeasures required to provide the goods/works/services.Majority evidence provided to support the response. |
| 60%  | Acceptable  | Demonstration of the relevant ability, understanding,experience, skills, resource and/or quality measuresrequired to provide the goods/works/services, with some evidence to support the response. |
| 40%  | MinorReservations | Some minor reservations of the relevant ability,understanding, experience, skills, resource and/or qualitymeasures required to provide the goods/works/services,with little or no evidence to support the response. |
| 20%  | SeriousReservations | Considerable reservations of the relevant ability, understanding, experience, skills, resource and/or qualitymeasures required to provide the goods/works/services,with little or no evidence to support the response. |
| 0%  | Unacceptable  | Does not comply and/or insufficient information provided to demonstrate that there is the ability, understanding, experience, skills, resource and/or quality measures required to provide the goods/works/services, with little or no evidence to support the response. |

During the tender assessment period, KUL reserves the right to seek clarification in writing from the tenderers, to assist it in its consideration of the tender. Tenders will be evaluated to determine the most economically advantageous offer taking into consideration the award criteria weightings in the table above. KUL is not bound to accept the lowest price or any tender. KUL will not reimburse any expense incurred in preparing tender responses. Any contract award will be conditional on the Contract being approved in accordance with KUL’s internal procedures and KUL being able to proceed.

**8. Tender Award**Any contract awarded as a result of this tender process will be in accordance with the attached KUL standard terms and conditions

**9. Tender Returns**
Please submit the Tender document by email by **17:00 on 01/06/2022**

Please send by email to info@kensautilities.com with the following wording in the subject box:

**“Tender XXXXXXX Strictly Confidential Kensa Utilities CEEQUAL Assessor Services”**

Tenderers are advised to request an acknowledgement of receipt when submitting by email.

**10. Corporate Requirements**

**10.1 Indemnity and Insurance**The contractor must affect and maintain with reputable insurers such policy or policies of insurance as may be necessary to cover the contractor’s obligations and liabilities under this contract, including but not limited to:

• Professional indemnity insurance with a limit of liability of not less than £2 million;
• Public liability insurance with a limit of liability of not less than £5 million;
• Employers liability insurance with a limit if liability of not less than £5 million

All insurances shall cover for any one occurrence or series of occurrences arising out of any one event during the performance of this contract. The tenderer will be required to provide a copy of their insurance policies if successful in securing this contract.

In addition, the contract will be subject to the following legislation.

**10.2 Data Protection**The contractor will comply with its obligations under Data Protection Legislation (DPL), being the UK Data Protection Legislation and the General Data Protection Regulation (GDPR) and any other directly applicable European Union legislation relating to privacy.

The tenderer will be required to provide a copy of their Data Protection policy and privacy statement if successful in securing this contract.

**10.3 Freedom of Information Legislation**KUL may be obliged to disclose information provided by bidders in response to this tender under the Freedom of Information Act 2000 and all subordinate legislation made under this Act and the Environmental Information Regulations 2004 (Freedom of Information Legislation). Tenderers should therefore be aware that the information they provide could be disclosed in response to a request
under the Freedom of Information Legislation. KUL will proceed on the basis of disclosure unless an appropriate exemption applies. Tenderers should be aware that despite the availability of some exemptions, information may still be disclosed if it is in the public interest.

**10.4 Prevention of Bribery**Tenderers are hereby notified that KUL is subject to the regulations of the Bribery Act 2010 and therefore has a duty to ensure that all tenderers will comply with applicable laws, regulations, codes and sanctions relating to antibribery and anti-corruption including, but not limited to, this legislation.

**10.5 Health and Safety**The Consultant must at all times comply with the requirements of the Health and Safety at Work Act 1974, the Management of Health and Safety at Work Regulations 1992 and all other statutory and regulatory requirements.

**10.6 Exclusion**KUL shall exclude the tenderer from participation in this procurement procedure where they have established or are otherwise aware that the organisation, to include administrative, management or supervisory staff that have powers of representation, decision or control of the applicant’s company, has been the subject of a conviction by final judgment of one of the following reasons:

• Participation in a criminal organisation
• Corruption
• Fraud
• Terrorist offences or offences linked to terrorist activities
• Money laundering or terrorist financing
• Child labour and other forms of trafficking in human beings

**10.7 Sub-contracting**
Tenderers should note that a consortium can submit a tender but the subcontracting of aspects of this commission after appointment will only be allowed by prior agreement with KUL.

**10.8 Content ownership**By submitting a tender application, the tenderer acknowledges that the
copyright to all material produced during the project will be the property of KUL.

**10.9 Document Retention**All documentation (electronic and hard copy) produced as part of this contract will need to be returned to KUL at the end of the contract so that we can retain them for future reference/audit. The contractor will not be expected to store these documents for future reference.

**10.10 Conflicts of Interest**Tenderers must provide a clear statement with regard to potential conflicts of interests. Therefore, **please confirm within your tender submission** whether, to the best of your knowledge, there is any conflict of interest between your organisation and KUL or its project team that is likely to influence the outcome of this procurement either directly or indirectly through financial, economic or other personal interest which might be perceived to compromise the impartiality and independence of any party in the context of this procurement procedure.

Receipt of this statement will permit KUL to ensure that, in the event of a conflict of interest being notified or noticed, appropriate steps are taken to ensure that the evaluation of any submission will be undertaken by an independent and impartial panel.

**10.11 Equality and Diversity**

KUL is committed to providing services in a way that promotes equality of opportunity. It is expected that the successful tenderer will be equally committed to equality and diversity in its service provision and will ensure compliance with all anti-discrimination legislation. The tenderer will be required to provide a copy of their Equality and Diversity Policies/Practices if successful in securing this contract.

**10.12 Environmental Policy**

KUL is committed to sustainable development and the promotion of good environmental management. It is expected that the successful tenderer will be committed to a process of improvement with regard to environmental issues. The tenderer will be required to provide a copy of their Environmental Policies/Practices if successful in securing this contract.

**11. Disclaimer**

The issue of this documentation does not commit KUL to award any contract pursuant to the tender process or enter into a contractual relationship with any provider of the service. Nothing in the documentation or in any other communications made between KUL or its agents and any other party, or any part thereof, shall be taken as constituting a contract, agreement or representation between KUL and any other party (save for a formal award of contract made in writing by or on behalf of KUL).

Tenderers must obtain for themselves, at their own responsibility and expense, all information necessary for the preparation of their tender responses.

Information supplied to the tenderers by KUL or any information contained in KUL’s publications is supplied only for general guidance in the preparation of the tender response. Tenderers must satisfy themselves by their own investigations as to the accuracy of any such information and no responsibility is accepted by KUL for any loss or damage of whatever kind and howsoever caused arising from the use by tenderers of such information.

KUL reserves the right to vary or change all or any part of the basis of the procedures for the procurement process at any time or not to proceed with the proposed procurement at all.

Cancellation of the procurement process (at any time) under any circumstances will not render KUL liable for any costs or expenses incurred by tenderers during the procurement process.

**Enclosures**

Enclosure 1: Terms and conditions of the contract