

1) Ref: APB. We note the contractor is to provide an on demand APB. If the tenderer fails to provide an APB, or is not willing to provide this, will the tender be null and void?

A: APB are common options in the construction industry and for this tender it is an essential part of the return.

2) What is the address of the 7 SHL sites to be visited, and what is the relevance of the site visits if SHL is operating the facility and delivering the wood fuel to the relevant 7 sites.

A: We can offer a site visit to the proposed wood fuel hub if requested however the details of the other 7 biomass sites will not be provided as it isn't relevant to the tender.

3) If the tenderer can provide 3 examples as per Section 6, 6.1 but one example is an in-house, company owned design and build wood processing depot including chip drier element will this qualify for the purpose of a compliant example?

A: This type of example would be accepted as long the details of the outcome and performance can be provided, and third-party validation of the existence of the site and its performance can be provided.

4) Would Stockport Homes consider a drying floor option rather than a fully enclosed conveyor belt?

A: As this is a design and build contract we would consider anything which matches the performance indicated.

5) We are seeking to define the contract start date. This is the date you intend to formally confirm the tender award and so the date we can use to develop our proposed ordering and construction programme. We are assuming that is during week commencing 23<sup>rd</sup> April. Is that correct?

6) Clause 3.6 of the ITT refers to stage payments and says:

7) 'SHL shall pay correctly addressed and undisputed invoices within 14 days in accordance with the stage payments and dates noted below. Stage payments dates shall mean the date by which monies are cleared into the Contractors bank account.'

8) If the contract is awarded w/c 23<sup>rd</sup> April then shall we assume the first stage payment cleared into our account is 2 weeks later? This would mean w/c 7<sup>th</sup> May.

- 9) In terms of all subsequent stage payments shall we assume that we can submit invoices 2 weeks prior to the stage payment date stated in the ITT?

A: the below table is an extract from the ITT which I believe you are referring to. The dates are approximate and could move however the stage payments percentages are correct for each event. We have put a 2 weeks turnaround in the contract to give us a little bit of breathing space to process the payments (bear in mind this is normally 28 days). In terms of start dates etc. the closing date is the 9<sup>th</sup> April and we are planning a number of meetings that week to discuss the submissions (internally). I believe we will reach a decision that week and get notice out to the successful tenderer by W/C 16<sup>th</sup> April. We will agree at that point a mutual start date which will be asap (within reason).

Approx. dates	Milestone	% stage payment
16/04/18	Immediately prior to ordering of biomass boilers, chipper, drier, heat exchanger and conveyors	1. 19% <sup>[1]</sup>
04/06/18	On possession of the site	2. 9.5% <sup>[2]</sup>
29/06/18	Immediately prior to delivery of all equipment to site	3. 47.5% <sup>[3]</sup>
29/07/18	Part way through installation	4. 9.5% <sup>[4]</sup>
17/08/18	Contract completion	5. 12% <sup>[5]</sup>
17/02/19	At end of the 6 months defects liability and snagging period	6. 2.5%

- 10)The ITT refers to a 6 month 'defects liability and snagging period' in section 5.12. It says this shall include for a full service of all the equipment and products at the end of the 6 months period prior to the final handover of the site and equipment to the client (SHL). Appendix 2 the pricing schedule asks us to cost for a 12 month servicing/ maintenance period.

- 11)Can you please clarify if the period is 6 months or 12 months.

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<sup>[1]</sup> Under this schedule the client retains 5% of each of the first five payments (20%, 10%, 50%, 10% and 10% of total) and then releases half of this total retention (2.5% of the total retention) at payment 5 (Contract Completion) and the final half (2.5% of the total retention) 6 months after 'Contract Completion', when the 'Defects and Snagging' period is completed satisfactorily (see also Section 5.3)

<sup>[2]</sup> Op cit 1 above

<sup>[3]</sup> Op cit 1 above

<sup>[4]</sup> Op cit 1 above

<sup>[5]</sup> Op cit 1 above

A: The contract of works should include a 6 month service of the plant at hand over so we are receiving the goods in perfect working order.

In the pricing schedule we have asked for costs for 12 month servicing (as a side issue). The would be a separate contract should we wish to proceed with this aspect.

12) We are seeking a short extension of time to the tender return. The tender period includes Easter and we have not been able to secure full responses from a number of our sub-contractors and suppliers due to the Easter holidays. Specifically some of the sub-contractors we are using on the design side for M&E are on holiday this week and next. Other sub contractors are away until 3rd April and that leaves a short time to get firm quotes and put this in our bid in a fully risk free manner. If you feel an extension of time is justified then we are seeking a new date of close of play on 10th April 2018.

A: Comments noted. An extension of 24 hrs is granted and this has been clarified on the Contract Finder website. The new deadline for submission is Tuesday 10<sup>th</sup> April at 10am.

13) As you are probably aware the RHI guidelines for drying have changed.

A: Yes.

14) Can you advise does this site have planning permission? If so when was it granted?

A: The site is currently in the process of planning permission. The statutory date for response was 28<sup>th</sup> March 2018 but we understand this is now going to Area Committee in mid-April.

15) Is the site viability going forward based on the RHI income?

A: No.

16) I need to understand the details in this as BEIS have indicated that if no planning was in place before the 31<sup>st</sup> January this could affect the RHI moving forward. Also the completion date of the 17.08.2018 would be out with the 6 months grace period they grant.

A: We believe we have a strong case to qualify under the transition arrangements. We are in discussion with Ofgem on this matter.

- 17) The site cabin “supplied by others” is not part of this tender? Is it available for use as a site office during construction?  
**No.**
- 18) The output required is described at 34-40 tonnes per day. Which is it? **A: We can't be that exact, it ranges between 34 and 40.**
- 19) The output required is described as 5500 tonnes, 6000 tonnes and 7000 tonnes in different sections of the document. Which figure should we work to? **A: The annual demand is 5,500 but we are working to 6,000 to give some “redundancy” to the system.**
- 20) The output is designed around the requirement of the 7 sites with boilers installed. Has account been taken in the figures for the amount of chip required by this processing site, which would be considerable. **A: Yes we have factored this in.**
- 21) There is no mention of RHI in the document (apart from for the meter). Does the installation need to be RHI compliant – this has an impact on system design. **A: Yes needs to be fully compliant with Rhi.**
- 22) In addition, we can install a number of different manufacturers of boiler system which will have huge variations in capital cost (up to £50,000) and long term running cost. The tender marking is weighted heavily in favour of a boiler which is extremely cheap to install, but will almost certainly not have the life expectancy of others available on the market. This view is obviously subjective, however we service enough boilers to know that there is a huge range in maintenance costs. The same applies to chippers. The marking rating against price is so aggressive we daren't price anything except the cheapest upfront cost. Should we submit a price with the cheap boiler and chipper so that we can be compared with others and also an upgrade price to a more sensible boiler and chipper which you can pick if you want to at a later date? If we do, are we marked on the low price – which will work for the warranty period prescribed. **A: Our evaluation panel are fully aware of the biomass boiler market and differences between capital costs and running costs, reliability, quality and longevity. It is for each tendering company to make the clear case for the technology and system choices made and the benefits of these.**
- 23) Finally, please could you confirm that the system is to be loaded with logs from the pile using a telescopic handler? Is the purchase of this telescopic handler part of the contract? It is not listed. We also have concerns about the duty and life of such a

machine in these circumstances. A: a telescopic handler is not included in the tender.

24) Regarding the Advanced Payment Bond were:

Do you have any bond contract template already that you'd be looking to work to? We have used APB before but we are not restricted to any single template.

Value of Bond

We assume that you would like the bond to cover the first 3 payment stages rather than the full contract value, as highlighted below: The APB should be for the entire contract value. To clarify the APB should cover the full (100%) contract value. This gives a level of protection to Stockport Homes to cover for all contingencies, giving us the confidence to make the advance payments.

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If it is the case, would you like the bond to cover all of this value, or only a certain percentage of these payments as above.

If it isn't the case, can you let us know what percentage of the full value you would like covered by the bond? as above.