

## **SCHEDULE 7**

**(Call-Off Contract Form of Agreement)**

**Engineering and Project Management Framework**

**Contract No. GLA 80454**

**RE:NEW Support Team**

**THIS AGREEMENT** is made the

day of

2014

**BETWEEN:**

- (1) **Greater London Authority** whose registered office is at City Hall, The Queen's Walk, London, SE1 2AA ("the *Employer*" which expression shall include its successors in title and assigns); and
- (2) **Capita Property & Infrastructure Limited** whose registered office is at 71 Victoria Street, Westminster, London SW1H 0XA ("the *Consultant*").

**WHEREAS:**

- (A) This Agreement is made pursuant to a framework agreement between the Transport for London and the Consultant relating to the provision of engineering and project management services dated 21 January 2010 but whose effective date was 1 December 2009 ("the Framework Agreement").
- (B) The *Employer* wishes to have provided **RE:NEW Support Team** ("the services") at City Hall, The Queen's Walk, London, SE1 2AA.
- (C) The *Employer* has accepted a tender by the *Consultant* for the design of the services and correction of Defects therein in accordance with the *conditions of contract*.

**NOW IT IS AGREED THAT:**

1. Terms and expressions defined in (or definitions referred to in) the *conditions of contract* have the same meanings herein.
2. The *Consultant* Provides the Services in accordance with the *conditions of contract*.
3. The *Employer* pays the *Consultant* the amount due in accordance with the *conditions of contract*.
4. The documents forming the contract are:
  - 4.1 this Form of Agreement duly executed by the Parties as a deed;
  - 4.2 the *conditions of contract*;
  - 4.3 the attached Call-Off Contract Data Part 1;
  - 4.4 the attached Call-Off Contract Data Part 2; and
  - 4.5 the following documents:

- the Scope; out in the GLA 80454 RE:NEW Support Team Schedules 6A and 7 inclusive to the Framework Agreement
- Capita proposal submitted 8th May 2014

5. Where there is any discrepancy or conflict within or between the documents forming the contract the order of priority shall be as follows:

- 5.1.1 First : This Form of Agreement;
- 5.1.2 Second : Appendix 4;
- 5.1.3 Third : The conditions of contract as amended by Appendix 3;
- 5.1.4 Fourth : The Scope and any other documents included in this contract.

6. Notwithstanding the manner of execution of this Agreement it is agreed that:

- 6.1 the limitation period within which any claim may be brought by the *Employer* for breach of this Agreement by the *Consultant* is 12 years from the date of breach; and
- 6.2 the *Consultant* agrees not to raise in defence of any such claim a shorter limitation period whether pursuant to the Limitation Act 1980 (as the same may be amended or re-enacted from time to time) or otherwise.

**IN WITNESS** whereof this Agreement has been signed for and on behalf of the *Employer* and the *Consultant* the day and year written above.

Signed by )  
for and on behalf of )  
The *Employer* )  
Signature

Date:

Signed by )  
for and on behalf of )  
The *Consultant* )  
Signature

Print name and position

Date:



## SCHEDULE 6A - CALL OFF CONTRACT DATA

Call-Off Contract Number: GLA 80454

### Part One - Data provided by the *Employer*

Completion of the data in full, according to the chosen options, is essential to create a complete contract.

#### Statements given in all contracts

##### 1 General

- The *conditions of contract* are the core clauses as may be amended or supplemented by the clauses for Main Option **E**, and Secondary Options X10 all as attached to the Transport for London Engineering and Project Management Framework (Ref: 90001).
- The *Employer* is  
Name: Greater London Authority  
Address: City Hall, The Queen's Walk, London, SE1 2AA
- The *Employer's Agent* is  
Name: Kore Mason (Employing Manager)  
Address: City Hall, The Queen's Walk, London, SE1 2AA
- The authority of the *Employer's Agent* is  
as set out in Option X10  
The *services* and *scope* are included for the provision of Consultancy Services in the form of RE:NEW Support Team.
- The *language of this contract* is **English**
- The *law of the contract* is **the law of England and Wales**
- The *period for reply* is **2 weeks**.
- The *period for retention* is **12 years following Completion or earlier termination**.
- The *tribunal* is **the courts of England and Wales**
- The following matters will be included in the Risk Register  
N/a

##### 2 The Parties' main responsibilities

- The *Employer* provides access to the following persons, places and things  
access to  
N/A
- access date  
N/A

##### 3 Time

- The **starting date** is 31<sup>st</sup> July 2014

- The *Consultant* submits revised programmes at intervals no longer than those instructed by the *Employer's Agent*.

#### 4 Quality

- The quality policy statement and quality plan are provided within **2 weeks** of the Contract Date, or as stated here. Not required
- The *defects date* is **52 weeks** after Completion of the whole of the *services*.

#### 5 Payment

- The *assessment interval* is **4 weeks**
- The *currency of this contract* is **pounds Sterling (£)**
- The *interest rate* is **2 % per annum above the base rate of the Bank of England.**

#### 8 Indemnity, insurance and liability

- The amounts of insurance and the periods for which the *Consultant* maintains insurance are

Event	cover	Period following Completion of the whole of the <i>services</i> or earlier termination
Liability of the <i>Consultant</i> for claims made against him arising out of his failure to use the degree of reasonable skill, care and diligence normally used by competent professionals experienced in providing services similar to the <i>services</i> in connection with works of a similar size, scope and complexity to the Works (professional indemnity insurance)	<b>£2,000,000 or as stated below</b> for each and every claim and in the aggregate per annum	12 years
Liability for death of or bodily injury to a person (not an employee of the <i>Consultant</i> ) or loss of or damage to property resulting from an action or failure to take action by the	<b>£5,000,000.00 or as stated below</b> in respect of each claim, without limit to the number of claims [with financial loss extension cover]	12 years

<i>Consultant</i>		
Liability for death of or bodily injury to employees of the <i>Consultant</i> arising out of and in the course of their employment in connection with this contract.	<b>£5,000,000.00 or as stated below</b> in respect of each claim, without limit to the number of claims	12 years

The *Consultant's* total liability to the *Employer* for all matters arising under or in connection with this contract, other than the excluded matters, is unlimited.

#### Optional statements

**If the *Employer* has decided the *completion date* for the whole of the *services***

- The *completion date* for the whole of the *services* is 30<sup>th</sup> July 2017

**If no programme is identified in part two of the Contract Data**

- The *Consultant* is to submit a first programme for acceptance as required by the *Employer's Agent*

**If the *Employer* states any *expenses***

- The *expenses* stated by the *Employer* are, no expenses will be paid in respect of the *services* provided under this call off contract.

**If Option E is used**

- The *Consultant* prepares forecasts of the total Time Charge at intervals no longer than that specified by the *Employer's Agent*.
- The *exchange rates* are not used, all payments are to be made in the *currency of this contract*

## CALL OFF CONTRACT DATA

### Part Two - Data provided by the *Consultant*

Completion of the data in full, according to the Options chosen, is essential to create a complete contract.

#### Statements given in all contracts

- The *Consultant* is

Name: **Capita Property & Infrastructure Limited**

Address: 71 Victoria Street, Westminster, London SW1H 0XA

- The *key persons* are:

Name:

Position:

Responsibilities:

- The *staff rates* are:

Name/designation	Rate
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- The following matters will be included in the Risk Register.

#### Optional statements

**If the *Consultant* is to decide the *completion date* for the whole of the *services***

- The *completion date* for the whole of the *services* is

**31<sup>st</sup> July 2017**

The Consultant confirms it has read and is familiar with the Funding Contract attached at Appendix 3. The Consultant agrees that it shall not knowingly put the GLA in breach of its Funding Contract with European Investment Bank in respect of the Consultant's obligations as set out therein. In the event that the GLA suffers any loss/damage due to the Consultant putting the GLA in breach of its Funding Agreement, the Consultant agrees to indemnify the GLA in respect of such direct losses/damage.



## Appendix 1

### Schedule of Requirements

#### RE:NEW Support Team Schedule of Requirements

##### 1. Aims, objectives and benefits of the RE:NEW Support Team

1.1. **The aim of the RE:NEW Support Team** is to maximise energy saving and carbon reduction in London's housing by providing support to local authorities, social housing providers and organisations in the private rented sector to enable faster, bigger, and better value domestic retrofit projects. The RE:NEW Support Team will provide support in developing and tendering services and works to implement domestic retrofitting activities in London. We expect that 70% of the projects will be discrete social housing projects. Furthermore, the support in the first instance will be focused on driving programmes in the social housing sector and maximising leverage from external funding sources such as ECO.

1.2. Building on the momentum started by the interim Support Team, **key objectives** are to:

- Create a step change in the delivery of domestic retrofitting projects in London to retrofit at least 175,000 homes and save at least 93,000 annual tonnes of carbon (equivalent to 493,890 MWh per year) over the three years of this contract.
- Support projects in all housing tenures (social housing, owner occupied sector and the private rented sector).
- Support organisations to establish projects that maximise the opportunity by linking a range of funding and financing solutions.
- Aggregate projects to establish programme level economies of scale for both funding applications and delivery.
- Standardise approaches to retrofit delivery, where beneficial.
- Support the establishment of long-term, stock-wide retrofit programmes for local authorities and housing associations.
- Support and enable the establishment of a self-sustaining delivery model for the RE:NEW Support Team.
- Bringing forward retrofit works more rapidly across London, and therefore achieving earlier carbon savings and reductions in fuel poverty.
- To successfully meet the requirements of the EIB ELENA contract.

1.3. The RE:NEW Support Team will bring **significant additional benefits** to the project over those that are reasonably likely to be secured in its absence. These primarily are:

- Maximising the level of funding secured from energy companies for ECO-eligible works, through promoting a competitive environment for carbon-saving opportunities, including through use of the RE:NEW framework and other frameworks.
- Maximising housing stock investment by combining asset management and ECO funding.

- Maximising scale by supporting the development of a strategic programme approach across Local Authority and Housing Association stock-holdings and through cross-tenure area-based programmes.
- Improving and making the procurement and contracting process more efficient in order to accelerate delivery, including through the RE:NEW framework.
- Optimising delivery efficiencies and economies of scale in the delivery of retrofit works.
- Supporting the delivery of targets set out in the Mayors Plans / Strategies e.g. Climate Change Mitigation and Energy Strategy, The London Housing Strategy, Vision 2020 etc.

## 2. Key Functions

- 2.1. The function and structure of the RE:NEW Support Team is based both on lessons learned from RE:NEW projects to date, and from the highly successful model developed by RE:FIT.
- 2.2. It will support clients such as social housing providers, local authorities, and the private rented sector to enable them to deliver domestic retrofitting activity across all tenures. It is thought that the Team will have greatest leverage in social housing (especially when initially set up) by providing landlords with targeted support to develop large scale retrofit projects consisting of many properties. However, the RE:NEW Support Team will also support retrofit in the owner occupied sector, and the private rented sector, by helping London boroughs to develop and deliver local retrofit programmes and partnerships.
- 2.3. Critically the Support Team will deliver advice, and disseminate best practice solutions to resolve common difficulties that lead to delay, abandonment, limited scale, uncompetitive procurement, financial under-performance and risk exposure.
- 2.4. The RE:NEW Support Team's key functions will be structured around the typical stages in the project development cycle: scoping and developing potential retrofit projects, identifying and securing funding, procuring delivery agents, contractors or works and implementing the retrofit activity. In practice, the RE:NEW Support Team's clients may not need this full range of support and can view these functions as a menu of services from which to select specific types of support. The Team will do this through direct client engagement and through the provision of advice, guidance and assistance in relation to project scoping and development, technical, procurement and funding issues, and implementation.
- 2.5. The RE:NEW Support Team will facilitate retrofit activity delivered by others. It will not deliver programmes on the ground itself.
- 2.6. The Support Team will work with a wider set of stakeholders to facilitate retrofit activity including delivery agents, community groups, large private sector landlords, estate/letting agents and local tradesmen which will be extremely important for releasing retrofit potential in private rented and owner occupied housing.
- 2.7. The Support Team will build strategic relationships with energy suppliers. This will include:
  - Working with energy suppliers to understand their priorities and the types of projects they are looking to invest their ECO in and work closely across the boroughs to share knowledge on the kinds of projects the boroughs should be developing up.
  - Establishing how the Support Team can best support their delivery in London, and may include signposting to specific ECO offerings and brokering ECO deals.
  - Identify key utility company contacts and broker relationships with boroughs.
- 2.8. Figure 1 below suggests the support that should be offered to clients.

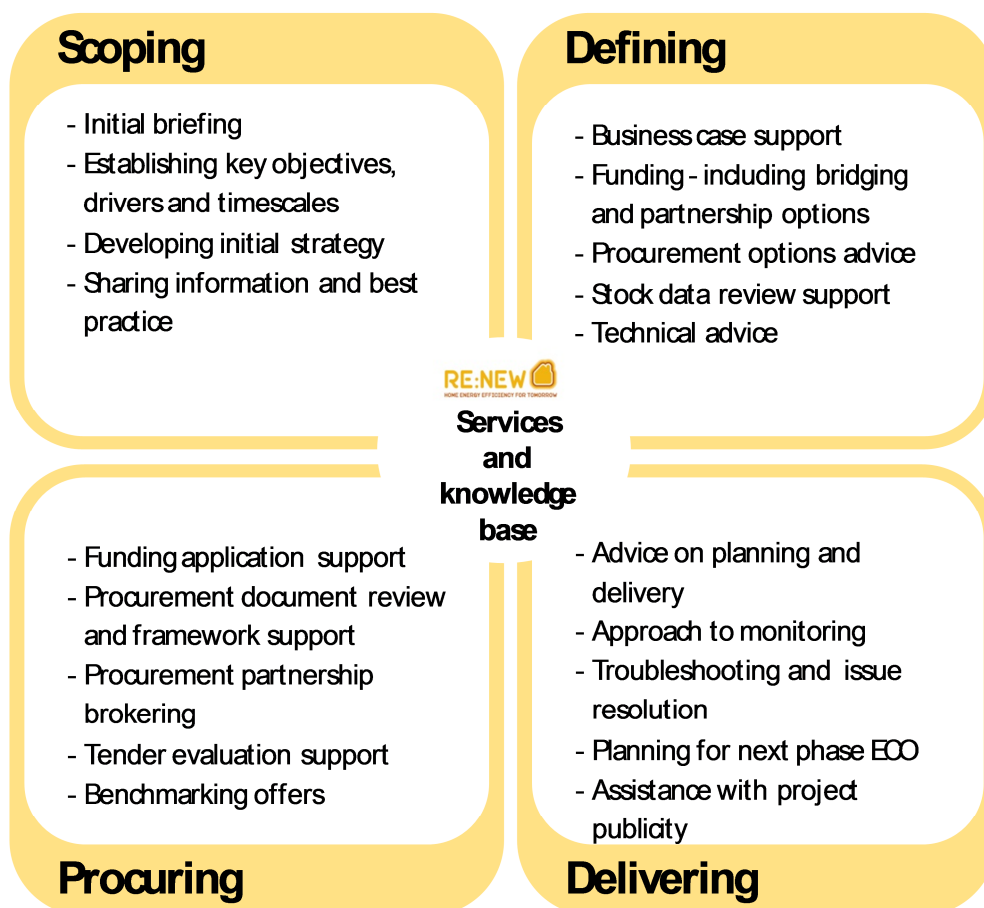


Figure 1 – Suggested client support

- 2.9. Although the key focus of the RE:NEW Support Team is to catalyse low carbon retrofit across London's housing stock, the RE:NEW Support Team will also seek to maximise opportunities for reducing fuel poverty through this retrofit activity and track progress on this.
- 2.10. The Support Team will also work to protect leaseholder interested through supporting clients to consider the financial effects (in the form of service charges) on leaseholders as part of the project impact appraisal and help clients to [obtain better value for works programmes](#).
- 2.11. The low carbon retrofit measures being installed can include, but should not be limited to:
- Loft insulation
  - Wall insulation
  - Floor insulation
  - Draught proofing
  - Heating repairs, replacements and controls
  - Window glazing
  - Micro-generation technologies
  - Decentralised energy solutions
  - District heating connections
- 2.12. The Support Team will also work with the water utilities to ensure water measures are incorporated into the retrofit works. The key focus of this will be on the hot water measures as they reduce carbon emissions. However, where practical, clients should be encouraged to incorporate cold water measures as well.

- 2.13. The Support Team should also enable other environmental retrofit measures to be built-in through procurement where appropriate such as climate change adaptation measures and approaches.
- 2.14. The RE:NEW Support Team will be responsible in ensuring the level of support provided is sufficient to deliver the RE:NEW Support Team's Key Performance Indicators within the allocated budget.
- 2.15. The RE:NEW Support Team will establish and follow a set process in working with clients.
- 2.16. The Support Team will develop and operate a structured, standardised approach to the support it provides under each of the stages outlined below and produce common outputs at each stage. The Support Team will also have to manage its workload and be flexible in its response to client requirements in terms of the levels of support that are required at any particular moment in time. A detailed description of the key stages and further details on the Support Team function are as follows:

2.17. **Stage 1: Engage landlord/borough**

- Engagement with stakeholders and clients will be a key activity of the Support Team. A series of hot leads will be provided by the GLA for the successful organisation to begin work with, but in order to maintain and build the pipeline of projects, the RE:NEW Support Team will need to market its services to social landlords and London boroughs as well as other key stakeholders, and will engage with retrofit funding providers to develop funding opportunities.
- These engagement activities will be enhanced by the GLA's housing investment and policy teams which engage with social housing providers on a regular basis.
- The Support Team will need to put in place an engagement strategy for acquiring customers and achieving its KPIs in terms of the number of social landlords and London boroughs that it will work with in year 1, year 2 and year 3.

2.18. **Stage 2: Scoping Meeting**

- **Diagnosis of support required** - an initial scoping meeting will be held to ascertain the current situation and to diagnose the type of support required by the client.
- **Support Plan** - in order to ensure commitment from the client in return for the support provided by the Support Team, the client will be required to agree a Support Plan which clearly specifies the areas of support agreed between the client and the Support Team, outlines the support that will be provided to the client and the outputs that will be produced. The Support Plans will clearly indicate that the RE:NEW Support Team has been required to develop and implement the investment programme.
- The Support Plan should outline the kWh, carbon savings and capital value of the client's project or programme. Where this is unknown at the outset then the Support Plan must include a statement that the client will include these figures in any contracts let<sup>1</sup>.
- The RE:NEW Support Team will also benefit from the work of the interim RE:NEW Support Team which has signed a number of Support Plans with organisations that require support. The GLA is reviewing and signing the Support Plans agreed under the interim RE:NEW Support Team in order to ensure the support to which the interim

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<sup>1</sup> It is a requirement of the ELENA funding that any contracts let include the savings and capital value of the works as evidence for achievement of the KPIs.

Support Team has agreed is reasonable, deliverable and within scope. The RE:NEW Support Team will also be tasked with a review of these at the start of the contract.

## 2.19. Stage 3: Technical and funding support

- The key elements within this stage include technical development support, funding and finance support and business case development. These are outlined below:
- **Technical development support** – this will include guidance on stock analysis and retrofit measures, project identification and guidance on project pipeline development.
- The technical **guidance on stock data** will include:
  - designing a high-level tool that categorises the stock, assesses retrofit potential across the stock and identifies where retrofit potential is greatest, if appropriate.
  - providing guidance on key steps for identifying retrofit potential in the clients stock, including illustrating stock characteristics.
  - assisting with a desktop assessment of available stock data to identify retrofit opportunities and in the case of social housing providers reviewing this in line with planned maintenance and other asset management schedules.
- To help harmonise data collection formats across energy suppliers and financing sources such as ECO, Green Deal and European finance sources, the RE:NEW Support Team will **review and develop data templates** including:
  - Conducting an analysis of required data templates.
  - Producing a standardised template to enable clients to gather data in a common format for all retrofit projects and for different funding programmes if appropriate.
  - Providing guidance on what data to collect, how to populate these data templates and how to interrogate the data.
- The RE:NEW Support Team will provide advice to clients on **technical considerations** on all aspects of low carbon retrofit including energy and water efficiency, renewable energy generation and decentralised energy solutions. This will include more advanced measures such as solid wall insulation and floor insulation, including advice on potential problem issues such as condensation or poor performance. The Support Team must also be able to provide planning guidance and advice on climate change adaptation.
- **Funding and finance support** - the key types of support will include researching funding and financing opportunities, supporting funding applications, facilitating stakeholder partnerships and supporting funding negotiations, such as a negotiated bilateral (or multilateral) ECO funding agreement. Below is further detail on some of these areas:
  - **researching funding and financing opportunities** through identifying the most suitable funding and financing sources for the identified retrofit projects, including ECO, Green Deal, Decent Homes funding, London Green Fund funding etc. and linking with asset management / planned maintenance budgets.
  - **supporting funding applications** through facilitating networking with the funders and enabling stakeholder partnerships, providing guidance on funding applications, reviewing application bids for funding, supporting funding negotiations such as a negotiated bilateral or multilateral ECO funding agreement. Where beneficial the RE:NEW Support Team will support clients to aggregate projects to increase scale and maximise funding potential. The Support Team will work with funders and investors to maximise and support their allocation of funds to London. Note the above will not constitute formal financial advice, and clients must seek this independently.

- **providing up to date guidance** on each of the key funding sources, such as their key features, the key measures and the activity that they fund, as well as the application process<sup>2</sup>.
- **Business case development** - the Support Team will support landlords and boroughs in developing the business case for their retrofit projects. This will include:
  - Advice, best practice and support on engaging relevant stakeholders in the clients' organisation including asset management, finance, and procurement teams as well as senior stakeholders.
  - Procurement support including identifying appropriate procurement routes for example framework procurement including the RE:NEW Framework, contract variation, and concessions.
  - Programmatic support to compile a pipeline of projects, this will include incorporating energy, water and renewable measures into asset management and planned maintenance plans to enable stock-wide retrofit.
  - Guidance on working with the local community and key stakeholders and best practice in marketing and promoting retrofit to the general public.
- **Planning support** - the Support Team may, at this stage, need to provide support to landlords and boroughs with regards to obtaining planning approvals. This may include supporting liaison with Planning Departments, particularly in relation to listed buildings and conservation areas.
- **Project Plan** - The main output will be a Project Plan for a retrofit project/s that outlines the:
  - aims and objectives of the project(s) (i.e. what the social housing provider or local authority would like to achieve),
  - details of the properties included in the scope,
  - expected number of homes retrofitted in total and by year,
  - types and details of measures to be installed,
  - expected CO<sub>2</sub> reductions,
  - expected energy savings (kWh and £),
  - expected capital investment in total and by year,
  - funding plan, including the potential funding sources (own budget e.g. planned maintenance budget / Energy Company Obligation / London Energy Efficiency Fund),
  - key milestones including the expected implementation dates,
  - preferred procurement route,
  - next steps for the organisation.

## 2.20. Stage 4: Procurement support

- **RE:NEW Framework** - The RE:NEW Support Team will work with the GLA and TfL to update and re-tender the RE:NEW Framework so that it provides a comprehensive procurement platform for all aspects of low carbon retrofit including Green Deal and ECO contractors, delivery agents and works. The Support Team will also provide on-going management of the RE:NEW framework. The re-tendered RE:NEW framework should ideally be in place by 31 December 2014.

<sup>2</sup> See Guide to Funding and Financing Opportunities for Energy Efficiency Retrofit in London section:  
<http://www.london.gov.uk/priorities/environment/tackling-climate-change/energy-efficiency/re-new-home-energy-efficiency/implementing-renew-locally>

- On-going management of the existing and future RE:NEW Framework includes managing relationships with buyers and suppliers, troubleshooting problems within contracts and facilitating relationships between parties.
- The Support Team will also undertake strategic supplier management with Framework Suppliers to manage their performance.
- Tracking progress and outputs from all delivery that goes through the RE:NEW Framework. This will be counted towards the RE:NEW Support Team's KPIs.
- **Support to clients** - As part of the stage 3 support, the RE:NEW Support Team will have recommended the most appropriate procurement route. This may be to vary an existing contract that a client (i.e. social housing providers and local authorities) already holds, procure the services and works from a framework that the client has access to, procure the services and works from the RE:NEW Framework, or procure the services and works through a separate compliant process (e.g. an OJEU advertised tender).
- The RE:NEW Support Team will support clients in their procurement including:
  - providing support and advice on the specification and procurement documentation;
  - providing advice and support on tender evaluation;
  - supporting clients through the procurement process;
  - supporting clients to use the RE:NEW Framework (e.g. with guidance on producing mini-tender specifications and managing contractors and answering any questions regarding the Framework);
  - facilitating partnerships between clients to enable joint tendering so as to aggregate projects, increase scale, share procurement burden, share learning and maximise procurement position.
- The Support Team will also produce template procurement specifications for a range of different retrofit measures and property types with particular focus on measures and issues relevant to London.
- The key outputs at this stage will be a specification and subsequently a contract which includes the number of homes treated (including measures to be installed), capital value, carbon and kWh savings.
- The RE:NEW Support Team will also be required to capture the carbon savings that are included in all contracts once the procurement is completed.

## 2.21. Stage 5: Delivery

- The contract will be managed by the client, but the key support provided by the RE:NEW Support Team at this stage will include support with planning, monitoring of project progress and sharing implementation best practice. This will include:
  - supporting landlords and boroughs with regards to obtaining planning approvals. This may include supporting liaison with Planning Departments, particularly in relation to listed buildings and conservation areas
  - sharing lessons learnt and approaches to securing planning consent and working work with the GLA planning team to provide general guidance and/ or assisting specific cases if necessary
  - working with landlords and boroughs to monitor the implementation progress of the projects that the Support Team has supported (or that have been procured through the RE:NEW Framework)

- developing case studies of retrofit best practice covering key measures and issues in London
- assisting clients in troubleshooting delivery problems, such as problems with contracts or contractors.
- The main output will be monitoring project progress to assess success in the delivery of the retrofit project and associated carbon savings. Reporting should include measures installed, the capital value, carbon and kWh savings and the funding levered in.
- The Support Team will not conduct quality assurance of the works as this will be overseen by the contracting organisation and/or as part of the funding programme e.g. ECO.

#### 2.22. **Stage 6: Close out / review**

- After support has been provided the Support Team will hold a close out review including an assessment of client satisfaction with the service(s) provided. It will also review the need for future support by the client.
- The main output will be the provision of best practice guidance for key implementation issues such as planning and lessons learned.

#### 2.23. **Tracking effectiveness**

- The RE:NEW Support Team will track performance and the impact of the approach (outlined in stages 1 - 6) on retrofit activity from initial scoping and feasibility through procurement to contract close and implementation. The RE:NEW Support Team will, through the Support Plans backed up by customer surveys, monitor and record the additional value and effect that results from the Team's work over the course of the programme. The Support Plans, signed by both parties, will clearly indicate that the RE:NEW Support Team has been required to develop and implement the investment programme. It is not anticipated to be possible to break it down further to say which specific parts of any project occurred as a result of the support provided.
- The RE:NEW Support Team will maintain a tracking and reporting role and will monitor the implementation of contracts. However, due to the nature of the work, the exact timeframes of implementation of the works will vary significantly. However, we anticipate that the majority of the works will be completed within a year of letting the contract.

#### 2.24. **Pipeline development**

- Whilst supporting the delivery of programmes, the RE:NEW Support Team will also compile and maintain a pipeline of retrofit projects for London through its work assisting clients. This will consist of ready to implement, near-term and longer-term retrofit projects. The pipeline must be kept as a live resource, updated at least weekly, with the most up to date version always available to the GLA Project Manager.

#### 2.25. **Additional information**

- The RE:NEW Sponsors' Board will provide the governance for the RE:NEW Support Team. Therefore the successful organisation may need to attend Sponsors' Board meetings to present progress.
- In addition to the above core work areas, the RE:NEW Support Team will be required to respond to ad-hoc enquiries from the GLA including pulling data and information



together regarding domestic retrofitting activity in London, responding to Mayors Questions, applying for awards and providing presentations.

### **3. GLA role**

- 3.1. The GLA will provide overall strategic direction of the RE:NEW programme. It is noted that the targets and contract deliverables may need to be developed and/or revised over time to reflect changing priorities and circumstances. This includes revisions based on changes in policy relating to homes retrofit from the GLA or central government.
- 3.2. The GLA will have a Programme Manager and a Project Manager allocated to this work stream. The Project Manager's time will be fully committed to the RE:NEW Support Team. The Project Manager will report directly to the Programme Manager.
- 3.3. The successful organisation will be required to host the Project Manager (full time) and Programme Manager (occasionally) at their offices, including providing workstations with internet access that allow the Project and Programme Manager to remotely access the GLA system (through Citrix access).
- 3.4. The GLA will be responsible for managing the RE:NEW Sponsors' Board which will fulfil the Governance role associated with RE:NEW Support Team.
- 3.5. The GLA will be involved in the strategic management of some of the key stakeholder relationships including with the energy suppliers. The GLA will continue to engage the London boroughs with a view to overcoming some of the key barriers (as outlined above in the 'Using Local Powers' section).

### **4. Contract deliverables**

- 4.1. The supplier will cover all the requirements and deliver the targets stated in this tender document.
- 4.2. **Suggested Client Engagement Deliverables**
  - The RE:NEW Support Team will agree the level of support required with each client, these will be formally documented in the Support Plan.
  - Based on the level of client support required, the following deliverables are suggested by stage.

<b>Client Support Stage</b>	<b>Deliverable</b>
Stage 1: Engage landlord / borough	1. Updated pipeline tracker
Stage 2: Scoping	1. Support Plan 2. Updated pipeline tracker (including KPI report)
Stage 3: Technical and funding support	1. Client stock analysis report 2. Populated stock data template (although the client will populate this, it will be the RE:NEW Support Team's responsibility to ensure this activity is completed) 3. Project Plan 4. Updated pipeline tracker (including KPI report)

Client Support Stage	Deliverable
Stage 4: Procurement support	1. Procurement specification and subsequently a contract which includes the number of homes treated (including measures to be installed), capital value, carbon and kWh savings (although the client will produce these documents, it will be the RE:NEW Support Team's responsibility to drive the process towards meeting or exceeding the KPIs set out in this tender). 2. Updated pipeline tracker (including KPI report)
Stage 5: Delivery	1. Client delivery progress report. To include measures installed, the capital value, carbon and kWh savings and the funding levered in.
Stage 6: Close out / review	1. Client satisfaction report (based on client satisfaction information collected throughout the process)

#### 4.3. Other Deliverables

- Re-procuring the RE:NEW Framework. Including producing all documentation related to re-tendering the RE:NEW Framework, with the final deliverable being contracts agreed with suppliers and a new RE:NEW framework in place. The GLA will be the owner of this framework, procurement and legal support through the process will be provided by Transport for London who provide this function to the GLA.
- Producing and maintaining a summary of RE:NEW Framework activity (existing and new), in a format agreed with the GLA, including detail and status of any mini-competitions held and subsequent contracts delivered, and summary of enquiries and management support required for the Framework.
- Producing a template procurement specification under licence, including KPIs, for a range of different retrofit measures and property types with particular focus on measures and issues relevant to London.
- Producing and maintaining up to date funding guidance documentation on the key funding sources, such as their main features, the measures and the activity that they fund, as well as the application process.
- An assessment of tools and templates required to deliver the full process, and production of necessary tools and templates. This assessment must be done with GLA and client input and include:
  - Designing and producing a high-level tool that categorises client stock, assesses retrofit potential across the stock and identifies where retrofit potential is greatest, if appropriate.
  - Producing a standardised template to enable clients to gather data in a common format for all retrofit projects and for different funding programmes if appropriate.
- A project pipeline tracker which is kept up to date with potential projects, and which includes the following information (estimated if not confirmed at the time of recording):
  - client
  - summary of project detail
  - project status
  - summary of support required / provided
  - capex value (shown by year)
  - carbon savings (shown by year)

- RE:NEW Support Team support to date
  - RE:NEW Support Team next steps
  - potential funding streams to be considered and potential/estimated value (if known)
  - procurement route
  - estimated date of issuing the specification
  - estimated start date of works
  - project next steps and timeframes.
- Best practice guidance based on a number of sources including client project/programme close out reviews.
  - Provide support to the production of any application for additional funding for the overall RE:NEW programme, for example European or Central Government funding. This may include drafting of funding applications.
  - Review and update the content of Support Plans agreed under the interim RE:NEW Support Team to take into account the requirements and deliverables outlined in this specification and your tender response. Periodic review of Support Plans and refresh of the Support Plan template.
  - Preparing information and/or presenting to the RE:NEW Sponsors' Board as required. The Board currently meets every two months.
  - Ad-hoc presentations. There may be a requirement to deliver presentations above and beyond those used to promote the services of the RE:NEW Support Team.
  - Update and maintain the RE:NEW web pages<sup>3</sup>.
  - Ad-hoc requirements (including producing briefings and reports, inputting to Mayor's questions and Freedom of Information queries, responding to external enquiries, and attending meetings/briefings as required) in relation to the RE:NEW programme.

## **5. Reporting Requirements**

- 5.1. Providing regular (at least monthly) reports stating progress against the contract and deliverables. These reports should also include key risks and issues, and mitigation actions.
- 5.2. Provide regular reports (at least monthly) on the Key Performance Indicators (see KPI section for further detail):
  - No. of support plans agreed
  - No. of retrofitted homes supported
  - Carbon saved (tCO<sub>2</sub> per year)
  - Energy saved (MWh per year)
  - Funding supported (£ millions)
  - Capital expenditure procured (£ millions)

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<sup>3</sup> [www.london.gov.uk/renew](http://www.london.gov.uk/renew)

5.3. Reporting on client satisfaction and the following for each key stage (Project Plan, Contract and Implemented):

- Number of homes retrofitted with key measures (including loft, cavity and solid wall insulation)
- Fuel bill savings
- No. of retrofitted fuel poor homes supported
- Funding to be levered in by source
- Jobs created, including any apprenticeships
- Jobs sustained

5.4. **EIB requirements** – Additional reporting requirements identified by the EIB through the grant award process.

## 6. Client roles

6.1. The client refers to the social housing providers, local authorities and private landlords with whom the RE:NEW Support Team will engage. We expect that the responsibilities of the clients will be as follows:

- gaining executive support and commitment to retrofit and RE:NEW participation;
- designating roles and responsibilities within the organisation;
- ensuring that relevant staff are involved and staffing resources provided to enable the delivery of the Project[s];
- arranging and managing any internal approval processes including ensuring legal, finance and procurement teams are satisfied with the approach to be taken;
- compiling a project scope and brief;
- assessing appropriate properties for retrofit works and providing information to the Support Team for review where necessary;
- providing relevant data in the formats required by the Support Team;
- drafting necessary documents for the Support Team to comment on;
- procuring the delivery of retrofit works through an appropriate route subject to funding and technical feasibility;
- managing the delivery of the procured programme; and
- reporting programme information to the Support Team.

6.2. It will be the role of the RE:NEW Support Team to set the client's expectations around the client role and gain their buy in.

## 7. Key knowledge and competencies

7.1. The GLA expects the successful organisation(s) to have the following key competencies and knowledge to help deliver the requirements on the RE:NEW Support Team:

- Exemplary project management;
- Strong track record of stakeholder engagement;
- Excellent negotiation skills;
- Ability to perform stock analysis (both for social housing and private sector housing);
- Funding knowledge of different funding options including the availability and likely terms of different energy suppliers' ECO funding, Decent Homes funding, Green Deal, asset management investment etc.;
- Technical knowledge of large-scale domestic low carbon retrofit, including energy and water efficiency, renewables, and decentralised energy measures;
- Expertise in planning issues related to energy retrofit – particularly solid wall insulation, renewables and decentralised energy;
- Demonstrable expertise and experience in working with local authorities and housing associations including understanding of their core processes such as internal approval procedures etc.;
- Demonstrable expertise in working with the private rented sector and on large scale owner occupier energy efficiency schemes.
- Understanding of delivery models for private sector housing retrofit;
- Procurement expertise including an understanding of procurement processes and contracting.

## 8. Budget / Funding

- 8.1. The budget, allocated over three years for this contract is £2,793,000 exclusive of VAT. Below is an outline of the anticipated spend as detailed in the GLA's ELENA application.

	Year 1 (£)	Year 2 (£)	Year 3 (£)	Total (£)
<b>Maximum budget</b>	952,000	933,000	908,000	<b>2,793,000</b>

- 8.2. The GLA retains the rights to determine how £150,000 of this budget will be spent in supporting the RE:NEW Programme. The current intention is to spend this budget through this contract to allow for National or Mayoral policy changes. Examples include changes in programme, reporting or communications.
- 8.3. The RE:NEW Support Team will enable the establishment of a self-sustaining delivery model for the RE:NEW Support Team.
- 8.4. Bidders may propose an alternative spend profile. This must be accompanied by rationale.
- 8.5. The duration of the contract will be three years with an option to extend by an additional 12 months to a maximum contract term of 4 years from the start of the contract. The targets deliverables outlined in this ITT are for the first three years and additional targets will be agreed for any extension.

- 8.6. It is expected that the Contractor will invoice monthly for defrayed expenditure incurred within the terms of this Contract.
- 8.7. The secured budget stated above should be used for the purposes of your tender. However, the GLA reserve the right to amend the value of the final contract depending upon final internal budgets. If the budget is decreased then the targets will be decreased accordingly.

## 9. KPIs

- 9.1. The table below outlines the RE:NEW Support Team KPIs.
- 9.2. The capital value, the carbon and kWh savings implemented through the investment programme will be captured and reported at the point of contract i.e. when a contract is let that has received support through the RE:NEW Support Team. They must be specified in the contracts let.
- 9.3. To achieve these KPIs it is anticipated that the RE:NEW Support Team will support the creation of 134 contracts.
- 9.4. Below is an outline of the anticipated KPI achievement trajectory. Bidders may propose an alternative trajectory to align with the spend profile. This must be accompanied by rationale.

<b>RE:NEW Support Team KPIs</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Total</b>
No. of Support Plans agreed	38	46	50	<b>134</b>
No. of Retrofitted Homes Supported	49,000	60,000	66,000	<b>175,000</b>
Carbon Saved (tCO <sub>2</sub> per year)	26,000	32,000	35,000	<b>93,000</b>
Energy Saved (MWh per year)	122,980	151,360	165,550	<b>439,890</b>
Funding Supported (£ millions)	52	63	71	<b>186</b>
Capital Expenditure Procured (£ millions)	98	120	134	<b>352</b>

- 9.5. It is anticipated that the Funding Supported will come from sources such as ECO, Green Deal or the Department for Energy and Climate Change. The remaining capital value will be covered by sources such as resident contribution, housing association/local authority planned maintenance budgets and direct contributions.
- 9.6. Below is the overall investment anticipated as a result of achieving the KPIs in this contract. This indicates the share of investment dedicated to each component of the programme.

<b>Estimated costs</b>	<b>Year 1 (£ millions)</b>	<b>Year 2 (£ millions)</b>	<b>Year 3 (£ millions)</b>	<b>Total (£ millions)</b>
Capital Expenditure on retrofit measures:				
Materials	49.00	60.00	67.00	176.00
Labour	39.20	48.00	53.60	140.80
Other costs including site set up	9.80	12.00	13.40	35.20
<b>Total</b>	<b>98.00</b>	<b>120.00</b>	<b>134.00</b>	<b>352.00</b>
Cost of RE:NEW Support Team	0.952	0.933	0.908	2.793
<b>Total investment</b>	<b>98.95</b>	<b>120.93</b>	<b>134.91</b>	<b>354.79</b>

- 9.7. The RE:NEW Support Team will also report on the following once a client has entered into a delivery contract following receipt of support from the RE:NEW Support Team as agreed in the Support Plan:
- Carbon saved (tCO<sub>2</sub> per year)
  - Floor Area retrofitted (million m<sup>2</sup>)

- Energy Saved (kWh /m<sup>2</sup> / year)Capex / kWh (£)
- Capex / m<sup>2</sup> (£)

9.8. Please note that the KPIs were derived based on the following modelling assumptions. These take into account changes to ECO announced in the Autumn Statement of 2013:

- Carbon savings per home: 0.53tCO<sub>2</sub> per year (this is the average saving per home based on the estimated take up of different insulation measures).
- kWh saved per home: Calculated from the carbon savings with a conversion factor of 4,730 kWh per tonne CO<sub>2</sub> saved.
- Capital Expenditure Procured calculated based on a capital cost per home: £2,023

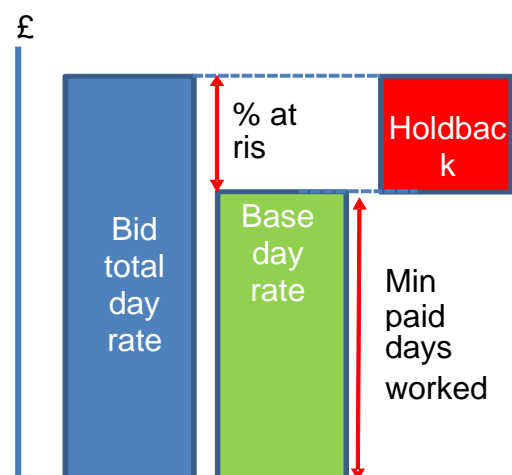
9.9. The RE:NEW Support Team will keep copies of the contracts as evidence of the works being let and the carbon savings and capital value will be included in the contracts. The RE:NEW Support Team will adjust the carbon values to kWh for reporting. For discrete projects on social housing, the carbon and capex values will be included in the contracts. However, delivery in the private sector will be very different and is usually based on a partnership approach with the local authority entering into a partnership contract with a delivery agent. However, at this point it is not possible to be certain of the carbon savings and the capex value of private sector works. Our recommendation for projects like this is that the contract includes an estimated carbon saving target and this is what is reported. For auditing purposes, any of the discrete social housing projects should be available for auditing and the RE:NEW Support Team will be responsible for agreeing this with clients.

## 10. Incentivisation

10.1. The GLA want to ensure value for money and a continued performance focus from the Support Team contract. An incentivisation model will therefore be used summarised below.

10.2. Incentivisation approach summary:

- Tenderers will bid total day rates.
- GLA set a minimum % at risk in tender.
- Tenderers can bid the % at risk equal to or above minimum.
- If Contractor achieves all the targets in the relevant time periods, they get the full day rate bid.



10.3. The minimum day rate at risk is set at 10%.

10.4. The incentivisation model performance is measured against 2 KPIs:

	Key Targets Areas	Measure
1	Contracted CO <sub>2</sub> Savings	Expected CO <sub>2</sub> savings from contracts signed by client organisations (where a support plan have been signed)
2	Capital Expenditure Procured (£ millions)	Capital expenditure captured in client's contracts at the point of contract.

- **Contracted CO<sub>2</sub> saving**

- These are the carbon reductions associated with projects procured through the RE:NEW framework or those obtaining procurement support from the RE:NEW Support Team.
- "Contracted" means a contract signed between the Client and the organisation(s) who will deliver the CO<sub>2</sub> savings. The supporting work must be in line with the ITT requirements and have been identified by the Client in the agreed Support Plan.
- The projected CO<sub>2</sub> savings are based on modelling using the following calculation:

*Contracted CO<sub>2</sub> savings = Contracted homes x Carbon Factor (0.53 tCO<sub>2</sub> per home)*

- Progress towards KPIs and incentivised KPIs will be based on the contracted carbon savings reported in Client contracts. The actuals will be based on standard calculations for the relevant approach (e.g. ECO, Green Deal etc...).
- CO<sub>2</sub> savings only count if due to be delivered within the RE:NEW Support Team contract period or within 3 years of the project plan agreement (whichever is longest).

- **Capital Expenditure Procured (£ millions)**

- Capital expenditure is the net value of the contract and must be captured in client's contracts at the point of contract.

10.5. Each incentivised KPI has a 50% weighting.

10.6. Each individual incentivised KPI also has a minimum and target level each quarter. The Contractor needs to be above the minimum level to gain some of the Holdback, with the maximum being achieved if the target is achieved.

10.7. All targets are cumulative over time.

10.8. Each incentivised KPI has an assumed start point indicating where performance is expected to be when the RE:NEW Support Team starts delivery.

10.9. The incentivisation model can be reviewed twice during the 3 year Contract, at 12 months and 24 months from the start of the Contract.

## **11. Contract management approach**

11.1. The RE:NEW Support Team will not be housed at City Hall, therefore the successful organisation will have to have its own accommodation.

11.2. Sub-contracting, partnering and secondments to ensure the RE:NEW Support Team can provide the necessary skills is encouraged.

11.3. The RE:NEW Support Team will report to the GLA Programme Manager, Kore Mason and a GLA Project Manager. It may be appropriate for the GLA Programme and/or Project Manager to be co-located with the RE:NEW Support Team part time, therefore the successful organisation will need to provide workstations with s that are connected to the GLA intranet remote desktop.



- 11.4. Strategic decision making will be taken by the GLA and informed by the RE:NEW Sponsors' Board. However, the RE:NEW Support Team may be required to provide a steer and information to inform these decisions and attend meetings as required.
- 11.5. The RE:NEW Support Team will be required to attend regular meetings with the GLA.
- 11.6. The RE:NEW Support Team will be required to provide formal management and performance reports, including KPI progress reporting, every month in line with the GLA requested timescales. For the initial 4 months, reporting will be every 2 weeks against contract deliverables, this may be extended at the GLAs discretion.

## 12. Additional support

- 12.1. GLA funding for the RE:NEW Support Team from ELENA is strictly only to support organisations within London. However, when supporting social housing providers with stock both inside and outside London it is likely that the organisation in question will most likely want to procure a contractor to deliver across all their stock. Therefore, although the RE:NEW Support Team must direct its resources predominantly to the London-only stock (i.e. cannot carry out detailed stock analysis on the stock outside London), the Support Team can include stock outside London (e.g. within the business case and procurement documentation) if it is appropriate to do so. With regards to reporting against the KPIs, it is only the London-only stock that can be reported, however the additional delivery outside London should also be captured.
- 12.2. However, in addition to this there are potential economies of scale for having a central delivery team that can cover more detailed requirements for support both inside and outside London. This could reduce duplication, improve process quality and deliver a more coordinated approach to allow better value for money to be achieved.
- 12.3. Being able to utilise the same support team without the need for further tendering could make it easier for other organisations to retrofit homes and also reduce their internal costs.
- 12.4. In addition to this, should any organisation require more in-depth support than that outlined in this specification e.g. a **detailed** stock analysis review, in order to progress domestic retrofitting by their organisation, this would be covered by this additional support.
- 12.5. No requirements have been defined or funding provided for this additional support. However this specification hereby makes provision for other organisations to use the RE:NEW Support Team if deemed appropriate and acceptable from a legal and procurement perspective. No targets can be set, however, these are likely to be required and would need agreeing with the relevant client organisation.
- 12.6. The applicability and ability to use this facility will be a decision for the relevant organisation seeking the support and the GLA will accept no liability in this matter. The Tenderer must make no assumptions regarding the potential use of this facility.
- 12.7. The successful organisation must not implement this additional support to the detriment of achievement of the KPIs included in this tender.
- 12.8. The pricing schedule in this Tender therefore includes a pricing requirement to cover the additional support. To help cover the ongoing management and development costs of the RE:NEW Support Team any use of this tender to provide services to other clients in using the RE:NEW programme will be subject to a rebate to the GLA of 2% of the total charge to that client from the supplier and will be paid to the GLA on a quarterly basis within 28 days of the end of the quarter to which it relates (or as otherwise agreed).

## **Appendix 2**

**Capita Response dated 8<sup>th</sup> May 2014**

**REDACTED**

### **Appendix 3**

#### **ELENA Funding Contract**

**REDACTED**