

To: Finance, Resources and Customer Services Policy Board

On: 8th June 2023

Report by: The Director of Finance and Resources and the Director of Environment, Housing and Infrastructure

Heading: Contract Award: Energy Efficiency Scotland ABS Funding Managing Agent (RC-CPU-22-353)

1. Summary

- 1.1 The purpose of this report is to seek the approval of the Finance, Resources and Customer Services Policy Board to award a Services Contract for an Energy Efficiency Scotland (Area Based Schemes) ABS Funding Managing Agent (RC-CPU-22-353) to The Wise Group, subject to the receipt of the Scottish Government grant funding award letter for Area Based Schemes.
- 1.2 The recommendation to award this NEC3 Term Service Short Contract follows a procurement exercise conducted in accordance with the Public Contracts (Scotland) Regulations 2015 and the Council's Standing Orders Relating to Contracts 1 January 2022 for an above Threshold Services contract using the Open Accelerated Procedure.
- 1.3 A Contract Strategy was approved by the Strategic Commercial and Procurement Manager on 21st March 2023 and the Head of Housing Services on 29th March 2023.

2. Recommendations

2.1 It is recommended that the Finance, Resources and Customer Service Policy Board:

(a) Authorise the Head of Corporate Governance to award a Contract for Energy Efficiency Scotland ABS Funding Managing Agent (RC-CPU-22-353) to The Wise Group subject to the receipt of the Scottish Government grant funding award letter for Area Based Schemes;

(b) Authorise a spend to the budget value of up to;

- £120,000 per annum (Total - £360,000 for the contract duration);

but note that the likely spend will be as per the tender submission returns of up to;

- £87,491.25 for the Total of the Prices for Part 2a per annum (Total - £262,473.75 for the contract duration)

(c) Note that it is anticipated that the *starting date* will be 10th July 2023. The contract will be for a *service period* of 12 months with the Council option to extend the *service period* for up to 12 months on two separate occasions, subject to satisfactory operation and performance of the contract. Any extension to the *service period* is also subject to the availability of Scottish Government Funding for ABS.

3. Background

3.1 Renfrewshire Council requires a competent and suitably qualified Managing Agent to deliver a portion of their ABS programme to eligible, privately owned, household properties throughout the Renfrewshire area in compliance with the Scottish Government Guidance of Scheme Design and Delivery.

3.2 The Managing Agent will identify suitable properties, gather expressions of interest and sign-up eligible householders to the ABS Scheme following Council approval. Thereafter the Managing Agent will manage any approved energy efficiency Works to the properties utilising their appointed Works Contractor.

The Managing Agent will assess eligibility of works and propose qualifying properties for the Council's approval prior to instructing works at the eligible householder property via their Works Contractor. On completion of the works and subject to the necessary checks, the Managing Agent will then invoice the Council for ABS funding for that property. The Council will then administer the drawdown of the ABS funds from the Scottish Government following the Scottish Government guidance and transfer the funding to the Managing Agent for onward payment to their appointed Works Contractor.

3.3 The Council has applied for Scottish Government Energy Efficiency Scotland (Area Based Schemes) Funding for this Financial Year and received a confirmation allocation letter. From the grant received, the Council will allocate up to £1,000,000 for the delivery of ABS projects associated with this Contract for the financial year 2023/24.

This funding is not guaranteed and may fluctuate within this year and within subsequent financial years, and that guidance may change in line with Scottish Government requirements. The Managing Agent fee is based on a % of the funding available for the Area Based Schemes. Renfrewshire Council will advise the Managing Agent of the funding amount available for carrying out the works for each year of the contract within 4 weeks of the receipt of the Letter of Award from the Scottish Government.

This figure of £1,000,000 for Year 1 (and the subsequent contract years) is allocated as follows;

Contract Year	Total anticipated Council allocation for ABS schemes for annum	Managing Agent Fee (Total of the Prices for Part 2a per annum)	Remaining allocation for value of energy efficiency Works per annum
Year 1	£1,000,000	£87,491.25	£912,508.75
Year 2*	£1,000,000	£87,491.25	£912,508.75
Year 3*	£1,000,000	£87,491.25	£912,508.75
TOTAL	£3,000,000	£262,473.75	£2,737,526.25

**optional extensions*

The percentage rates provided for year one of the contract will also be applied to years two and three if the optional extensions are exercised by the Council.

This project will be wholly-funded by grants from the Scottish Government. This Contract is therefore subject to compliance with their grant conditions.

Throughout the Contract, the Managing Agent is likely to manage and distribute funding for completion of the energy efficiency Works up to an annual maximum value of £912,508.75.

The funding for Energy Efficiency Scotland (Area Based Schemes) is not guaranteed and may fluctuate within this financial year and within subsequent financial years, and the Scottish Government guidance may also be subject to change.

It is a requirement under the contract that the specific stated insurance levels are held by the Works Contractor and it is the responsibility of the Managing Agent to ensure their Works Contractor holds and maintains those levels of insurance.

- 3.4 To initiate this procurement process a Contract Notice was published on Find a Tender Service via the Public Contracts Scotland advertising portal on 30th March 2023 with the tender documentation available for downloading from the Public Contracts Scotland – Tender portal from this date. The procurement exercise was conducted as an above Threshold Services contract using the Open Accelerated Procedure.
- 3.5 During the live tender period, six organisations expressed an interest in this tender. By the closing date set for the return of electronic tender submissions, 12 noon on 17th April 2023, four organisations submitted a tender response and two organisations did not respond.
- 3.6 In accordance with the regulation 60 of the Public Contracts (Scotland) Regulations 2015 Tenderers submit a Single Procurement Document (SPD) with their tender submission. All four tender submissions were evaluated against a pre-determined set of criteria in the form of the SPD by representatives from the following Council Services: Communities and Housing Services, the Corporate Procurement Unit, Corporate Risk and Corporate Health & Safety.

3.7 All four tender submissions received complied with the minimum selection criteria of the SPD. The four submissions were each evaluated against the Award Criteria which were based on a weighting of 35% Price and 65% Quality.

3.8 The scores relative to the Award Criteria for each of the four tender submissions are noted below:

		Price (35%)	Quality (65%)	Total (100%)
1	The Wise Group	30.28%	63.00%	93.28%
2	Changeworks Resources for Life	35.00%	53.25%	88.25%
3	Surefire Management Services Limited	25.96%	51.75%	77.71%
4	Momentum 4 Ltd	26.07%	39.50%	65.57%

3.9 The evaluation of tender submissions received identified that the submission by The Wise Group was the most economically advantageous tender.

3.10 The form of Contract is the NEC3 Term Service Contract (April 2013) and the 'Z' clauses issued with the Invitation to Tender.

3.11 This budget will be fully funded from the Scottish Government Area Based Schemes grant. The net cost to the Council is zero

3.12 Community Benefits were requested as part of the procurement process and the Wise Group confirmed that the following Community Benefits would be made available to the Council for this Contract:

Community Benefit Description	No of People/Activity
Business advice/support to an SME/Social Enterprise/Voluntary organisation	2
Financial Support for a Community Enterprise	4

Implications of the Report

1. **Financial** - This budget will be fully funded from the Scottish Government Area Based Schemes grant. The net cost to the Council is zero

2. **HR & Organisational Development** – There are no TUPE implications.

3. **Community/Council Planning –**

- **Our Renfrewshire is thriving** – maximising economic growth that is inclusive and sustainable.
- **Our Renfrewshire is well** - supporting the wellness and resilience of our citizens and communities.
- **Our Renfrewshire is fair** - addressing the inequalities that limit life chances.
- **Our Renfrewshire is safe** - protecting vulnerable people, and working together to manage the risk of harm.
- **Creating a sustainable Renfrewshire for all to enjoy** – ensuring that housing within Renfrewshire is energy efficient and up to standard while helping to reduce resident's energy bills.

4. **Legal** - The Procurement of this Contract was conducted as an above Threshold Services contract using the Open Accelerated Procedure in accordance with the Public Contracts (Scotland) Regulations 2015 and Renfrewshire Council's Standing Orders Relating to Contracts 1 January 2022.

5. **Property/Assets** - This contract will facilitate the services of a competent and suitably qualified Managing Agent. This will ensure that the ABS programme is delivered to eligible households throughout the Renfrewshire area in compliance with the Scottish Government Guidance of Scheme Design and Delivery.

6. **Information Technology** - No Information Technology implications have arisen or are anticipated

7. **Equality & Human Rights** - The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report because for example it is for noting only. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.

8. **Health & Safety** – The Wise Group health and safety credentials were evaluated by Corporate Health and Safety and met the Council's minimum requirements regarding health and safety.

9. **Procurement** – The procurement procedures outlined within this report ensures that the Council meets its statutory requirements in respect of procurement procedures, efficiency, and modern Government.
10. **Risk** – The Wise Group insurances have been assessed to confirm that they meet the minimum requirements regarding insurance risk. It is also a requirement under the contract that the specific stated insurance levels are held by the Works Contractor and it is the responsibility of the Managing Agent to ensure their Works Contractor holds and maintains those levels of insurance.
11. **Privacy Impact** – An Information Sharing Protocol will be in place for the *service period*. This will cover the Data Protection elements of the Contract; the sharing of information between the Managing Agent and the Council.
12. **Cosla Policy Position** – No COSLA Policy Position implications have arisen or are anticipated.
13. **Climate Risk** – The Scottish Government Sustainability Test was carried out as part of the Contract Strategy for this procurement. The impact is considered low risk. The Scottish Procurement Document (SPD) Environmental Management question 4C.7 was utilised with the following response. The Managing Agent will;
- Operate an ISO 14001 Environmental Management system;
 - Reduce and, where reasonably practicable, eliminate any adverse impact on the environment arising from activities;
 - Minimise the use of energy, resources consumed and waste produced from business activities;
 - Promote resource efficiency and strive to move up the waste hierarchy wherever possible;
 - Comply with and, wherever possible, exceed the requirements of appropriate legislative bodies and the environmental requirements of our customers, funders and stakeholders;
 - Inform and train staff in understanding and fulfilling their environmental responsibilities and those of the company;
 - Make appropriate resources available to manage environmental performance and ensure roles, responsibilities and authorities are defined;
 - Establish and measure environmental performance against specific objectives and targets; and
 - Review the Environmental Management System (EMS) regularly at senior management level.
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List of Background Papers

(a) None

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