

To: EDUCATION COMMITTEE		Subject: NON DOMESTIC ENERGY EFFICIENCY & PROJECT DEVELOPMENT UNIT FRAMEWORKS
From: HEAD OF RESOURCE SOLUTIONS		
Date: 16 JANUARY 2017	Ref: JMCK/LS	

1. Purpose of Report / Introduction

The purpose of this report is to inform committee of the national Non Domestic Energy Efficiency Works and Services (NDEE) Framework, supported by the Project Development Framework, and to advise of the projects within the 2017/18 Capital Plan that will be taken forward via the route and the benefits thereof.

2. Background

- 2.1. The NDEE framework was developed by the Scottish Government to provide a framework to deliver the retrofit of energy efficiency works to existing non-domestic public buildings or grounds.
- 2.2. The framework has been developed over the past three years by the Scottish Futures Trust (SFT), assisted by the international engineering consultancy firm, Mott MacDonald. Its development has been informed by a period of consultation with a representation of public bodies. Two local authorities, Falkirk and North Ayrshire, were pathfinders involved in the development of the project process.
- 2.3. The framework is managed by Scottish Procurement and has been developed to help public sector bodies progress their energy efficiency projects within their estates in order to achieve the legislated 2020 emission targets. The framework provides a list of twelve pre-selected contractors that the public sector can call-off to retrofit energy efficiency works. (See Appendix 2). The framework period is from 1 March 2016 to 29 February 2020.
- 2.4. Each project is eligible for Scottish Government funding (up to £50K) to pay for the assistance provided by the project development unit (PDU), delivered by singular contractor framework, Mott MacDonald. The PDU brings added value to utilisation of the framework for the council as they will identify additional energy saving measures above our original project requirements; provide a range of assistance including business case development as well as process and contractor management support.
- 2.5. The council has an estate of 588 operational properties. Use of the framework will be targeted at council buildings and will contribute to the future proofing of the council's assets in terms of the requirements of Section 63 of the Climate Change (Scotland) Act 2009. Each project will focus on a number of buildings and will be comprised of a programme of works. It is anticipated that a suite of works in the region of £1.2 million will be established for the project. In the first instance, the project will come from the Education, Skills and Youth Employment Service. (The proposed phase one project list and draft timeline are contained in Appendix 1.)
- 2.6. The council's use of the framework will enhance interdepartmental relationships and working, as project identification will be developed in agreement with Infrastructure and client services, to mutually agreed timescales and resources.

3. Benefits of using the NDEE Framework

- 3.1. The framework provides an expedient method of delivering energy efficiency improvements to the council estate as it is an efficient route to market for project implementation.
- 3.2. The council will benefit from the optimisation of its Infrastructure staff as the framework will release these staff to focus on other aspects of corporate asset and energy management.
- 3.3. Projects will contain a number of proposed energy conservation measures such as improvements to building fabric and environmental services systems and controls, and will be delivered via the procurement of an Energy Performance Contract where the selected contractor will have affirmed a guaranteed energy performance over the term of the contract.
- 3.4. Payment of the contractor will be linked to this guaranteed saving: until the saving has been evidenced and independently verified by a specialist, the final payment will be withheld. If the saving is not validated, the contractor will be given the opportunity to remedy and the council will retain the final payment until it is achieved.
- 3.5. Reductions in gas and electricity consumption will also positively impact on the Carbon Reduction Commitment levy which is based on the council's energy use, is paid annually and additional to incurred utility bill charges. The financial savings will be further enhanced through reduced project management costs and will assist services in future budget setting.
- 3.6. Reduced energy consumption via energy efficiency measures will lead to a reduction in carbon emissions and assist the council to meet our responsibilities as defined within the Climate Change (Scotland) Act 2009. As 2020 draws nearer, the delivery of carbon savings becomes increasingly more significant. These reductions will contribute significantly to the council achieving its own emission targets and the delivery of the aims of the 'Low Carbon Strategy'.

4. Financial / Personnel / Legal / Policy / Equalities Implications

- 4.1 Projects will be financed utilising existing council budgets.
- 4.2 As the council is named within the contract notices the requirements to access call-off arrangements from both frameworks have been satisfied. The frameworks will be used appropriately and ensure all obligations will be met in terms of Section 13.4 of the Council's General Contract Standing Orders and the frameworks Buyers Guide.

5. Recommendations

It is recommended that the Committee note the use of the national Non Domestic Energy Efficiency Frameworks to expediate the advancement of energy management projects in the 2017/18 Education Capital plan.



James McKinstry
Head of Resource Solutions

Appendix 1

Phase One Project List

Phase 1 Buildings	Project Type	Budget (£)	Annual Electricity Consumption (kWh)	Annual Gas Consumption (kWh)
Kirkshaws Primary School, Coatbridge	Boilers/Heating	£150,000	77,789	490,594
Ravenswood Primary School, Cumbernauld	Rewire & Boiler	£390,000	64,005	323,159
St Michael's Primary School, Moodiesburn	Rewire	£460,000	89,443	531,393
John Smith Pool, Airdrie	Boilers/Heating	£60,000	471,400	1,849,904
Our Lady's High School, Motherwell	Boilers/Heating	£80,000	410,383	2,700,988
Dalziel High School, Motherwell	Boilers/Heating	£40,000	373,451	1,097,975
Newmains Primary School, Wishaw	Boilers/Heating	£10,000	158,835	636,176

Tentative Timeline for Phase One

Key Stage	Activities	Timescale
Prepare	Project information to Project Support Unit	Mid January
	Project development	Mid January - Mid February
	Invitation to mini-competition (ITMC) developed	Mid February
Procure	Notice & ITMC issued to all twelve contractors	Mid February - March
	Suppliers shortlisted	Early March
	Investment grade proposals developed and submitted to council	Mid March
	Contractor appointed	End of March
Save	Project implementation	April - March 2018
	Guaranteed savings realised	March 2019

Appendix 2

List of Non Domestic Energy Efficiency Framework Contractors

Alternative Heat Limited
Ameresco Limited
Blackbourne Limited
British Gas Trading Limited
Cofely Limited
Cynergis Projects Limited
Everwarm Limited
FES Limited
Matrix Control Solutions Limited
Robertson Group Limited
SSE Contracting Group Limited
Vital Energi Solutions Limited