Non Domestic Energy Efficiency Framework
Delivery and Support for NDEE in the Public Sector in Scotland

- Prepare
- Procure
- Save

Presenter: Jamie Goth
Organisation: Scottish Futures Trust
Event: All Energy
Date: Thursday 5\textsuperscript{th} May 2016
Drivers for Energy Efficiency

- Climate Change
- Thermal Comfort
- Emissions Targets
- Revenue Cost Savings
- Mandatory Reporting
- Security of Energy Supplies
- Corporate Social Responsibility
What can you Buy?
How is it Contracted for?

Framework of 12 Contractors
- Alternative Heat Limited
- Ameresco Limited
- Blackbourne Limited
- British Gas Trading Limited
- Cofely Limited
- Cynergin Projects Limited
- Everwarm Limited
- FES Limited
- Matrix Control Solutions Systems Limited
- Robertson Group Limited
- SSE Enterprise
- Vital Energi Solutions Limited

Energy Performance Contract
- Guaranteed Energy Performance
  - e.g. 20%, 8 year payback, £1m CAPEX
- Payment Linked to Results
  - Reduced savings → Reduced Payment
- Install energy efficiency technologies
- Ongoing Services:
  - Maintenance, Bureau Service, Behaviour Change

Contact Details in Buyers’ Guide at:-
http://www.gov.scotTopics/Government/Procurement/directory/Utilities/NonDomesticEnergyEfficiency
Scaling up Delivery of Energy Efficiency to meet 2020 emissions targets

- Achieve value for money
  - increase scale
  - integrate energy efficiency into heart of refurbishment
  - whole-building projects to balance ‘low hanging fruit’ with challenging measures

- Transfer risk to installers
  - set your own minimum requirements for savings
  - require tenderers to offer detailed solutions

- Make greatest use of internal resource
  - prioritise buildings through knowledge of your estate
  - lead ambitious programmes
  - employ consultants and contractors for analysis and detail
Scaling up Delivery of Energy Efficiency to meet 2020 emissions targets

- Measurement & Verification and aM&T
- Passive & Building Fabric Insulation
- Pipe work & Ductwork Savings
- Boilers & Chillers
- Lighting
- Equipment
- Controls
- Behaviour Change
- Micro-generation

Investment Start: 5 to 15 years

Payback Period
Residual Life
EE Package
Payback Period

Short Term: 5 Years
5 Years
10 Years
15 Years
Long Term
Scottish Government’s Non Domestic Energy Efficiency Framework

PREPARE (Authority)
- Scope
- Present and approve
- Prepare Tender

PROCURE (Bidders)
- Tender
  - ITMC
  - Proposals
  - Shortlist
  - IGP
- Select Contractor
- Contract
  - Guaranteed Energy Performance

SAVE (Contractor)
- Construct
- Operate (Measure & Verify)
Scottish Government’s Non Domestic Energy Efficiency Framework

**Strategic Outline Case**

**Outline Business Case**

**Full Business Case**

---

**PREPARE (Authority)**

- **Scope**
  - Identify buildings with savings potential.
  - Advisable > £500 CAPEX, preferably >£1m
  - Set Authority’s Minimum Requirements, e.g. 20% saving, 8 year payback period

- **Present and approve**

---

**PROCURE (Bidders)**

- **Tender**
  - ITMC Proposals
  - Shortlist

- **Select Contractor**

- **Contract**
  - Guaranteed Energy Performance

---

**SAVE (Contractor)**

- **Construct**

---

**Operate (Measure & Verify)**

---

**Scottish Government’s Non Domestic Energy Efficiency Framework**

**Green Book:**

**Scope**
Identify buildings with savings potential. Advisable > £500 CAPEX, preferably > £1m
Set Authority’s Minimum Requirements, e.g. 20% saving, 8 year payback period

**Present and Approve**
Fulfil internal approvals requirements

**Prepare Tender**
Develop “Invitation to Mini-Competition” (ITMC) pack, including Evaluation Criteria
Scottish Government’s Non Domestic Energy Efficiency Framework

**PREPARE** (Authority)
- **Scope**
- Present and approve

**PROCURE** (Bidders)
- **Tender**
  - ITMC
  - Proposals
  - Shortlist
  - IGP
- **Select Contractor**
  - Shortlisted bidder submits IGP ➔ appoint
- **Contract**
  - Min GEP; Max CAPEX; other Authority Requirements

**SAVE** (Contractor)
- **Operate** (Measure & Verify)
- **Construct**
- Guaranteed Energy Performance

**TENDER**
- Issue Notice & ITMC
- Framework suppliers submit proposals
- Evaluate proposals & shortlist supplier(s)

**Select Contractor**
- Shortlisted bidder submits IGP ➔ appoint

**Contract**
- Min GEP; Max CAPEX; other Authority Requirements

Three Stages of Tender:
- **Notice**
- Invitation to Mini Competition (ITMC)
- Investment Grade Proposal (IGP)
Scottish Government’s Non Domestic Energy Efficiency Framework

**Green Book:**
- Strategic Outline Case
- Outline Business Case
- Full Business Case

**PREPARE** (Authority)
- Scope
- Present and approve

**PROCURE** (Bidders)
- Prepare Tender

**SAVE** (Contractor)
- Guaranteed Energy Performance
  - Construct
    - Conventional construction phase
    - Commissioning and handover → Milestone 1
  - Operate
    - Must achieve to receive GEP → Milestone 2
    - Contractor incentivised to design, install & prove savings

**Milestone Payments 1 & 2**

**RIBA Work Plan:**
- 0 Strategic Definition
- 1 Preparations & Brief
- 2 Developed Design
- 3 Concept Design
- 4 Developed Design
- 5 Construction
- 6 Handover and Close Out
- 7 In Use
Support through LCITP
Low Carbon Infrastructure Transition Programme

- Support by application, subject to eligibility of organisation and project
  - Important to have prepared good quality data *before* employing an advisor
- Provided by advisors procured by LCITP on Authority’s behalf
  - A new Support Unit is now being procured by SG and will be in place by autumn
- Advisors / SU will assist with “Prepare” stage of eligible projects, e.g.:
  - technical scope
  - outline business case
- By “Procure” stage project benefits will be quantified
  - Advisors’ costs form part of outline business case
- At “Save” stage, it is expected savings will exceed ongoing costs

[www.gov.scots/lowcarbon](http://www.gov.scots/lowcarbon)
For Public Bodies & Charities:
- SFT, Low Carbon, Non Domestic Energy Efficiency: Jamie.Goth@scottishfuturestrust.org.uk; 07889 803 786
- Low Carbon Infrastructure Transition Programme: Stephen.Vere@scottishfuturestrust.org.uk; 07989 418 005

For Suppliers:
- Scottish Government Procurement: Ann.Hoyland@gov.scot; 0141 242 5896

Scottish Government’s NDEE Framework

Questions?
Share Fair
11:50-13:00
Above Main Boulevard

PREPARE
PROCURE
SAVE

PROCURE
PREPARE
SAVE