

ITEM No ...4.....

REPORT TO: CITY DEVELOPMENT COMMITTEE – 25 OCTOBER 2021

REPORT ON: CLIMATE ACTION PROPERTY ENERGY CONSERVATION PROGRAMME

REPORT BY: EXECUTIVE DIRECTOR OF CITY DEVELOPMENT

REPORT NO: 282-2021

1 PURPOSE OF REPORT

1.1 This report provides an overview of the Climate Action Property Energy Efficiency Programme, and seeks acceptance of the tender received to implement Phase three of the programme.

2 RECOMMENDATION

2.1 It is recommended that Committee approve the acceptance of the tenders submitted by the undernoted contractor as set out in the report, with the total amount, including allowances detailed in Appendix 1.

3 SUMMARY OF PROJECTS TENDERED

3.1 Tenders have been received by the Design and Property Division in relation to the projects detailed below.

Reference and Description	Contractor
19-1086 - Climate Action Property Energy Conservation Programme - NDEE Basket 3	Vital Energi Utilities Ltd., Blackburn

4 FINANCIAL IMPLICATIONS

4.1 The Executive Director of Corporate Services has confirmed that funding for the above project is available as detailed in Appendix 1. A number of options for external funding were explored without success for this programme, and the Council will therefore fund on an “Invest to Save” basis.

4.2 The two previous phases of this initiative (namely NDEE Baskets 1&2) have produced annual savings of £490,000, which has helped offset cost pressures corporately.

5 MAIN TEXT

5.1 The Council agreed in September 2016 to the use of the Scottish Government’s Non- Domestic Energy Efficiency (NDEE) framework to procure Energy Performance Contracts (EnPC). NDEE projects are designed to guarantee a financial return on investment and make a major contribution to the Council’s carbon dioxide (CO₂) reduction targets.

5.2 The framework allows for the employment of a contractor to identify, design, install and guarantee Energy Conservation Measures (ECMs) in identified Council’s properties. This approach transfers financial risk to the contractor and complies fully with “Invest to Save” principles.

5.3 The installation of ECMs into properties, helps to mitigate future revenue burdens of increasing energy costs and contribute to a reduction in Greenhouse Gases emissions. This programme is a key part of the Council’s approach to addressing building-based carbon emissions, and has delivered annual reductions of 1,617 Tonnes of CO₂.

- 5.4 Projects in Phases 1 and 2 were completed on time and within budget. They have also increased comfort and control to the users of our buildings, reduced maintenance and replacement costs and introduced community benefits for the local economy.
- 5.5 This project is the third phase, (NDEE Basket 3) of this Climate Action initiative. The aims of the project are to continue the reduction of avoidable costs and greenhouse gas emissions from twenty of our properties.
- 5.6 The range of proposed measures include building energy control optimisation, LED lighting upgrades, solar photovoltaic roof panels, modifications to heating and ventilation and cooling systems. The current properties to be assessed for works are highlighted in the table below:-

PROPERTIES TO BE ASSESSED	
Ardler Community Centre	Balgarthno Campus
Brooksbank Neighbourhood Centre	Ballumbie Primary School
Chalmers Building Depot	Cleington Primary School
Dundee House	Craigiebarns Primary School
East Area Housing Office	Dens Road Primary School
Friarfield House Office	Eastern Primary School
MacKinnon Centre	Mill O'Mains Primary School
Scientific Services	SS Peter & Paul Primary School
The Junction	St Pius Primary School
Morgan Academy	West End Campus

- 5.7 The proposed list of properties will be continually reviewed to determine suitability for inclusion and may change at a later date. The project constitutes an energy efficiency construction programme with guaranteed energy savings. Given an expenditure limit of £2,747,748 the contractor has guaranteed energy savings of a value of £251,554 per annum. This equates to 22% of the baseline energy cost for the 20 properties and 575 tonnes of CO₂ saved per annum.
- 5.8 The project was procured through the Public Contracts Scotland Portal and Scottish Government Non Domestic Energy Efficiency Framework.
- 5.9 Tenders were previously reported to the City Development Committee in May 2021 (Article XI, report number 145-2021 refers) where approval was granted to proceed with Vital Energi based on their tendered Investment Grade Proposal.

6 BACKGROUND PAPERS

- 6.1 To ensure Best Value, the construction works in this report have been procured using the general guidance contained in the following documents approved by the Council:
- a Report: 216-2018 – Corporate Procurement Strategy 2018-2020;
 - b Report: 356-2009 - Construction Procurement Policy; and
 - c Standing Orders - Tender Procedures of the Council.

All tenders are checked by professionally qualified officers of the appropriate construction discipline to ensure that the recommended offers represent Best Value.

7 POLICY IMPLICATIONS

- 7.1 This Report has been subject to an assessment of any impacts on Equality and Diversity, Fairness and Poverty, Environment and Corporate Risk. There are no major issues.

CONSULTATIONS

7.2 The Council Management Team were consulted in the preparation of this report.

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NM/AG/KAS

13 October 2021

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APPENDIX 1

PROJECT	Climate Action Property Energy Conservation Programme – NDEE Basket 3	
PROJECT NUMBER	19-1086	
PROJECT INFORMATION	To install a range of energy conservation measures into 20 properties. The range of proposed measures include building energy control optimisation, LED lighting upgrades, solar photovoltaic roof panels, modifications to heating and ventilation and cooling systems.	
ESTIMATED START AND COMPLETION DATES	November 2021 August 2022	
TOTAL COST	Contract	£2,747,748
	Non Contract Allowances	£157,387
	Fees	£200,586
	Total	<u>£3,105,721</u>
FUNDING SOURCE	Capital Plan 2021-26 - Service Provision-Sustainable Projects 2021/22 - £275,000 2022/23 - £2,365,721 2023/24 - £465,000	
REVENUE IMPLICATIONS	Savings of Avoided Energy Costs of £ 251,554 per annum	
TENDERS	The project was procured through the Public Contracts Scotland Portal and Scottish Government Non Domestic Energy Efficiency Framework. Tender were previously reported to the City Development Committee on May 2021 where approval was granted to proceed with Vital Energi for an offer based on their tendered Investment Grade Proposal.	
RECOMMENDATION	Acceptance of the offer from Vital Energi	

