The City of Edinburgh Council

Specification

Housing Energy Projects – Delivery Partner

REF: CT0796

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0 BACKGROUND

0.1 The City of Edinburgh Council has an ambitious strategy to deliver new homes, invest significantly in existing stock and the transform services for customers, which is outlined in the latest Housing Revenue Account (HRA) Budget Strategy. The HRA aims to deliver a £2.5 billion investment over ten years in building and improving Council homes to deliver Council commitments on affordable housing and net zero carbon by 2030 and is based on the following three priorities to:

- expand and accelerate the development of affordable and low-cost housing;
- continue to modernise existing Council homes and neighbourhoods; and
- transform front line services to tenants to tackle inequality and reduce their costs of living.

The above priorities are being taken forward under the latest HRA Budget Strategy, Housing Service Improvement Plan, Mixed Tenure Improvement Plan and Strategic Housing Investment Plan.

To support this strategy, the Council's Housing Service require a single supplier to act as a delivery partner for a range of energy efficiency and low carbon technology projects across both Council and private homes throughout Edinburgh. These projects will help improve the energy efficiency of Edinburgh's housing stock, reduce carbon emissions and contribute to the improvement in the quality of the housing stock. Council tenants will be at the core of programme activities.

The successful supplier will work in partnership with the Council to identify opportunities for developing applications to the Scottish Government and other agencies for funding. The supplier will also be involved with delivery and project management of any ancillary/Scottish Government or otherwise externally funded scheme working for the Council on a demonstrable Best Value basis. In addition, the supplier will support the Councils Housing Sustainability Approach and its goals of becoming net zero carbon by 2030.

This Framework Agreement anticipates covering the following categories of services:

Energy projects delivery partner / managing agent

Provide full programme management services for the delivery of large scale energy retrofit projects (such as HEEPS:ABS) and the roll out of low carbon technology projects across Housing stock (both Council and private), including but not limited to the following range of services:

- Funding application preparation and support
- Procurement of contractors
- Management of contractors
- Coordination of engagement with residents and stakeholders, including the arranging of community consultation events and methodologies to maximise householder sign up.
- Quality assurance of works
- Complaint resolution
- Administration of energy monitoring, performance and evaluation reporting
- Reporting to Scottish Government and the Council, and all financial administration of grant funding.

0.3 The Framework Agreement shall be for a period of 2 years with the option to extend for 2 additional 12-month periods.

0.4

1 SCOPE OF SERVICES

1.1 The provision of full managing agent / delivery partner, project and programme management services for the delivery of large scale, low carbon projects covering energy retrofit and low carbon/renewable technologies (such as HEEPS: ABS, and other ancillary / Scottish Government or otherwise externally funded schemes). This scope of services will also include marketing and householder sign up and full monitoring and evaluation services. The scope of services is described below in more detail and can be broken down into the following services; funding application support; project-programme management services; marketing / engagement; monitoring and evaluation.

1.2 **Strategic approach and development of funding applications (HEEPS:ABS example)**

Developing funding applications in line with Scottish Government guidance each financial year. The strategic approach outlined by the Scottish Government is not likely to change significantly over the next few years, The range of funded measures is likely to increase in scope but it will be the responsibility of the successful delivery partner to ensure they develop future funding applications in line with Scottish Government funding year advice and taking into account any changes from the previous year's funding.

Below is an example of the key considerations that need to be considered when developing the strategic approach for energy efficiency programmes. This provides an indication of the level of detail and strategic planning required in order to secure funding (this guidance from the Scottish Government is subject to change over the coming financial years)

A key objective of the HEEPS:ABS is to improve the energy efficiency of Scotland's homes. In doing so there is a key requirement to develop area-based schemes which target the most fuel poor areas first. This must evidence an understanding of the fuel poor areas in the local authority area by using key sources of information from a range of strategic documents such as the LHEES, LHS, house conditions surveys and fuel poverty studies etc.

When developing the funding application for HEEPS:ABS the key strategic approach should be based on the following objectives:

Planning to target fuel poor areas first

An analysis of the housing stock in Edinburgh (using a range of data sources and analysis) to identify the potential for projects across the city that will involve a blend of measures that leverage in ECO funds. The Council has a longstanding and ongoing commitment to eradicating fuel poverty and to ensure this commitment is upheld households that are in an area that is in the bottom 25% of the Scottish Index of Multiple Deprivation (SIMD), will be prioritised.

1. Targeted approach to energy efficiency programmes

Applications should generally detail the selected areas for HEEPS:ABS including a description of the area in relation to fuel poverty, the nature of the housing stock and the programme of energy efficiency measures that will be undertaken in the area. Where the homes receiving measures are part of a larger project possibly an RSL or LA own stock project details should be provided of all the measures being carried out.

2. Needs based approach to targeting fuel poverty

A needs-based approach should be adopted to targeting fuel poverty in addition to the area-based approach. A range of eligibility criteria will be set which will be in line with the Council's

Energy Companies Obligation Local Authority Flexible Eligibility scheme which focuses on low income, high heating costs & vulnerability to the effects of living in a cold home.

The example above (1.2) is specific to the requirements of HEEPS:ABS funding applications - other Scottish Government funding programme applications that the Council may require the delivery partner to develop will likely require a similar approach, but this will be specific to the requirement of those funding programmes.

It should be noted that the cycle of funding means that providers should be ready to immediately commence preparation of a funding bud on appointment for the grant deadline which is likely to be in April 2021 for HEEPS:ABS

1.3 **Key project delivery services provided (HEEPS:ABS specific example provided)**
The delivery partner will work with the Council to identify clear roles and responsibilities for the individual project(s). This should include but is not limited to procurement, project management, commercial management, Scottish Government Reporting and Quality Assurance and Inspections.

Project Procurement
The delivery partner will decide on the strategy for each project that will obtain the best value for money.

The provider is acting on behalf of the Council when conducting exercises so all tendering must be conducted in line with relevant Public Sector Procurement legislation. For example The Public Contract Regulations (Scotland) 2015 and the Public Procurement Reform Act (2014) Procurement exercises will be supervised by an qualified Quantity Surveyor. Appointed by the service provider.

The chosen procurement strategy will depend on the needs of the project, value of the procurement market conditions and other relevant factors such as time.

Documentation must include relevant liquidated damages, collateral warranties and be produced on an agreed standard form of Contract (e.g. SBCC or NEC) with a defects liability period.

The delivery partner will invite tenders via the Public Contracts Scotland (PCS) portal. Tenderers will only be permitted to ask questions via PCS and all questions and responses will be disseminated via PCS. Tenders will be evaluated on both price and quality. Once the tender evaluation has taken place, the delivery partner will produce a report recommending the highest scoring bidder to the Local Authority.

The local Authority will then enter into Contract with that Contractor. Please note for all requirements over £2M GBP a Project Bank account must be used.

In terms of Energy Company Obligation (ECO) it is extremely important that ECO is secured to support the HEEPS:ABS programme and that the delivery partner ensures that the appointed contractor(s) is able to fully manage the ECO process. The Council has a Statement of Intent (SOI) published outlining their criteria for accessing their Local Authority Flexible Eligibility (LA Flex) through the Energy Companies Obligation 3 (ECO3). The Council must require the Delivery Partner to advise of any changes required to the ECO Flex statement of intent prior to any funding programme that can access ECO funding.

Project Start Up
Once the preferred contractor has been identified there will be a process of finalizing the specification and reaching agreement on what will be included in the project. Following this a

project specific specification will be produced by the Contractor along with a valuation template to reflect this.

The following will be required to be in place prior to commencement:

- Site specific project specification
- Valuation Template
- Construction Phase Health and Safety Plan
- Statutory consents (including but not limited to; Building Warrants, Planning Applications and Listed Building Consents)
- Programme of works
- Project Directory

Engagement
Engagement with householders to maximise sign up to the HEEPS:ABS scheme will be an essential component of the successful delivery of the HEEPS:ABS programme. The delivery partner will be required to develop a project specific customer journey to highlight the engagement strategy. This will include a timeline for communications to householders and should be designed to maximize the engagement through Home Energy Scotland rather than the Contractor.

The other methods for communicating and promoting the project will include: Community Events (advertised locally and through social media); Councillor briefings; project information sheets for householders etc.

Programmes like HEEPS:ABS will require sign up of householders who are private owners, other projects / programmes will focus solely on Council owned homes, and others will involve a mix of tenures often within complex mixed tenure housing. Householder engagement in all cases will be equally as important.

Commercial Management
Full commercial management services will be the responsibility of the delivery partner, this should include but is not limited to the following: Monthly Valuations (valuations will be submitted on a monthly basis by the Contractor to the delivery partner); Variations (should there be any variations to the original scope of works then the delivery partner will obtain the relevant costs and present to the Council prior to issuing any necessary instruction to the Contractor); Final Account (a projected final account will be included in the monthly submission to the Local Authority).

Project Management
The delivery partner will allocate a Project/Contract Administrator to provide the lead on the Project Management of the scheme. This should include but is not limited to the following; Pre-start Meetings; Monthly Progress Meetings (these will be held on site and will involve a site walk round followed by a sit-down meeting. The meeting will be chaired by the delivery partner and minutes produced. Among the topics covered should be:

- Health & Safety
- Contractors Progress Report
- Complaints
- Remedial
- Technical Issues
- Engagement
- Commercial Issues

Supply Chain Relationships
The delivery partner will also be required to work very closely with the supply chain and should therefore have established working relationships with relevant contractors. These strong

relationships will be essential in ensuring that the delivery partner can monitor schemes and communicate changes in circumstances effectively.

Scottish Government Reporting
Scottish Government request quarterly reports on the progress of HEEPS: ABS programmes from each local authority. The delivery partner will be responsible for completing and submitting these reports on behalf of the Council using data collected from the appointed contractor through agreed reporting schedules. The reporting submission is made up of three parts: General Overview of progress; Measures & funding report; and an ECO monitoring report.

Complaint Handling
All complaints should be referred to the delivery partner regardless of whether the Contractor or the Local Authority is dealing with the householder. Householders with complaints will be encouraged to contact Home Energy Scotland in the first instance who will refer them to the delivery partner for resolution.

Quality Inspections and Assurance
The delivery partner is required to ensure that Quality inspections are carried out by a dedicated Quality Assurance team. The Quality Assurance processes that will need to be in place for HEEPS:ABS work will need to include but is not limited to the following:

- Complaints process. This must include access to arbitration by an appropriate third party as a final stage.
- Onsite monitoring of the quality of works. All contracts through HEEPS:ABS, whether through independent contractors or wholly managed schemes by energy companies, must be monitored by an independent (of the contractor) clerk of works. The ECO monitoring and compliance process and system manufacture audits should be seen as supplementary and do not replace a requirement for an independent clerk of works.
- Post completion. Clients should be provided with a post completion pack covering as a minimum, contacts for complaints and snagging, the guarantee and how to effectively use their home after the measure has been installed both in terms of a heating regime and issues of ventilation.

The example above (1.2) is specific to the requirements for the successful delivery of HEEPS:ABS programmes – the approach and requirements stated above will likely be the same for other projects and programmes.

1.4 **Marketing (HEEPS:ABS specific example but likely to be applicable to most projects and programmes grant funded by the Scottish Government)**
The delivery partner will be required to pro-actively promote HEEPS: ABS projects using the Scottish Government's Home Energy Scotland brand in partnership with the Council. Using these recognised brands enables the customer to access the full range of help and support from the Home Energy Scotland advice centre (HES). As part of the marketing approach the delivery partner should develop marketing toolkits which should include but are not limited to a detailed project specific Customer Journey plans and a campaign timeline. The delivery partner should also ensure that as part of the marketing approach behaviour change messaging is integrated into the customer journey to ensure householders fully benefit from understanding their energy usage, how to save energy at home and how to get the most from the energy efficiency measure(s) installed.

The example above (1.3) is specific to the requirements for the successful delivery of HEEPS:ABS programmes – the approach and requirements stated above will likely be the same for other projects and programmes.

1.5 **Monitoring and evaluation (applicable to all projects and programmes)**
The delivery partner will be required to develop a robust / evidence led (both technical and social) monitoring and evaluation programme. This will ensure that the effectiveness of the measures in reducing fuel bills, carbon emissions and moving people out of fuel poverty can be fully understood and evidenced.

1.6 **Other services (applicable to all projects and programmes)**
The delivery partner will be expected to also provide a range of other services to support the development of both HEEPS:ABS and other energy efficiency grant funded programmes, these service are listed below:

- Development of data sharing agreements in line with the most current GDPR requirements between the Council and delivery partner. This is to allow the sharing of data between the Council, delivery partner, and other agencies such as Home Energy Scotland etc.
- Further data sharing agreements will also need to be in place to allow the Council and the Energy Savings Trust to grant a license for the delivery partner to access the Home Analytics Databases. This will be particularly relevant to allow grant funding applications to be developed.
- LA Flex (ECO 3) – the delivery partner will be expected to provide consultation on the strategy to maximise LA Flex (ECO 3) grant support available to Energy Efficiency / Fuel Poverty programmes and support the development of the Statement of Intent for LA Flex as required. During project delivery the delivery partner will be required to gather and assess data from householders for eligibility under LA Flex (ECO 3) and provide the relevant declarations to the contractor(s) procured to deliver energy efficiency works. This will be arranged under a delegated authority agreement (to be agreed) with the Council.
- Tenement Management Scheme (TMS) – the delivery partner will also be required to support private homeowners in blocks where there is 100% private ownership through the TMS to achieve full sign up. This will include the development of bespoke detailed information packs and in-depth consultation with residents to support them through this process.

1.7 **Enabling budget (applicable to all projects and programmes)**
An enabling budget is made available as part of Scottish Government for grant funding linked to either HEEPS:ABS or the Energy Efficient Scotland programme (such as the Decarbonisation Fund). This will also include other ECO funding or Scottish Government / UK Government funding streams not currently in existence.

It is important the delivery partner ensures that the full enabling budget allocation includes both the delivery partners programme management costs and other unforeseen costs and enabling support measures required on a project by project basis. These additional enabling support costs (out with the delivery partners programme management fees) will help to reduce the costs of installation (in some cases this will allow for the cost of insulation to be free at source to householders to maximise project sign up) or overcome technical challenges or provide additional support to householders to take on installs or overcome physical, financial or social barriers.

2 STAFF

2.1 Service Providers shall ensure that all staff employed or to be employed are suitably qualified, trained and experienced to deliver the Service and meet all requirements of this Contract.

2.2 Staff

3 SUBCONTRACTING

3.1 There will be no circumstances any elements of the delivery partners role that should be subcontracted.

4 RATES

4.1 Service Providers are required to complete the Pricing Schedule. The percentage rates will be fixed and applied through the life of the Framework Agreement to any Call off's (and any extensions). Please note that the tendered prices must include all known associated costs

applicable to this Framework Agreement Project timelines will be agreed at the commencement of each call off. Precise Costs will be determined on the finalisation of RIBA Stage Detailed design when tender costs are finalised. Expenses will never be paid on top of percentage rates quoted.

5 KEY PERFORMANCE INDICATORS

5.1 Document 4 KPI Document and Guidance sets out the key performance indicators ("KPIs") and measures that may be applied by the Council to measure Service Providers' delivery of the Service.

5.2 The KPIs will be continuously reviewed and may evolve during the life of the Framework Agreement and extension periods to ensure that that the Service continues to meet the needs of the Council.

5.3 Project specific KPIs will be mutually agreed at the commencement of individual call off Contracts and will be based on a risk assessment of those particular project needs.

6 CONTRACT MANAGEMENT AND REPORTING

6.1 Service Providers will be required to submit management information in relation to the overall performance of the Framework Agreement upon request by the Council.

6.2 The management information report for the Council may include, as a minimum, the following data:

- details of performance against the Key Performance Indicators
- spend under this Framework Agreement
- Details of particular Contract/Project call off fulfilment

6.3 Service Providers shall ensure that all records in relation to the provision of the Services are available to the Council Contract Manager as part of the monitoring process.

6.4 Service Providers shall take part in regular contract monitoring meetings throughout the life of the Contract at no additional cost to the Council. These meetings shall be arranged by the Contract Manager and are intended to assess the extent to which Service Providers are meeting their contractual obligations and performance against the KPIs.

7 SERVICE PROVIDER'S REPRESENTATIVE

7.1 Each Service Provider shall appoint a Service Provider's Representative empowered to act and make decisions on behalf of the Service Provider for all purposes connected with this Framework Agreement.

7.2 Service Providers shall ensure that the Service Provider's Representative is contactable by phone during business hours (9:00 to 17:00 on working days).

7.3 The Service Provider's Representative shall be responsible monitoring contract performance and compliance with mandatory requirement on an ongoing basis.

8 TRANSITION AND EXIT MANAGEMENT

8.1 The Service Provider will develop and agree with the Council an exit management plan for this Framework Agreement six months prior to the termination date of this Contract.

8.2 Service Providers will continue to provide the required Services to the Council until all open Call-off Contracts under the Framework Agreement have expired.

8.3 When the Framework Agreement has expired the Council will manage the Call-off Contract until expiry of the Call-off Contract.

8.4 Service Providers shall work with the Council and any other Service Providers as necessary, to ensure a smooth and seamless transition between Service Providers where this occurs

8.5 Service Providers shall be responsible for all transition arrangements to and from any other Service Providers, in accordance with any relevant professional guidance and the requirements of the Council, including but not limited to:

a) TUPE arrangements (if relevant);
b) supply of appropriate records (all information and data relevant to the Agreement must be made available the Council and/or a replacement Service Provider); and
c) regular updates to the Council on the transition process.

9 EQUAL OPPORTUNITIES

9.1 In providing the Services, Service Providers shall comply with all equal opportunities obligations and the public sector equality duty and shall ensure compliance with the Council's written policies on such matters and with all applicable laws as laid out in the Terms and Conditions.

10 FAIR WORK PRACTICES

10.1 The Council is committed to the delivery of high quality public services and recognises that this is critically dependent on a workforce that is well-rewarded, well-motivated, well-led, has access to appropriate opportunities for training and skills development, is diverse and is engaged in decision making.

10.2 These factors are also important for workforce recruitment and retention, and thus continuity of service. Public bodies in Scotland are adopting fair work practices, which include:

- a fair and equal pay policy that includes a commitment to supporting the living wage, including, for example by being a living wage accredited employer;
- clear managerial responsibility to nurture talent and help individuals fulfil their potential, including for example, a strong commitment to modern apprenticeships and the development of Scotland's young workforce;
- promoting equality of opportunity and developing a workforce which reflects the population of Scotland in terms of characteristics such as age, gender, religion or belief, race, sexual orientation and disability;
- support for learning and development;
- stability of employment and hours of work, avoiding exploitative employment practices, including for example no inappropriate use of zero hours contracts;
- flexible working (including for example practices such as flexi-time and career breaks) and support for family friendly working and wider work life balance; and
- supporting progressive workforce engagement, for example Trade Union recognition and representation where possible, or alternative arrangements to give staff an effective voice.

10.3 To ensure the highest standards of service quality in the Contract we expect Service Providers to take a similarly positive approach to fair work practices as part of a fair and equitable employment and reward package.

11 DATA PROTECTION

11.1 Service Providers must ensure the confidentiality of the data stored and/or communicated as part of the Contract, including both electronic and paper-based data.

11.2 Service Providers will employ effective administration and record control processes in order to underpin service delivery whilst also ensuring data is protected in compliance with the requirements of data protection legislation.

11.3 Service Providers will ensure procedures and processes are in place to ensure security of client data, enabling them to work with public bodies with high information technology security requirements to deliver the Services, ensuring continuity and protection against cyber-attacks.

12 INVOICING & PAYMENTS

12.1 A scheduled payment system will be set up depending on the length of the project. This will lend itself to monthly invoices, invoices upon completion of work or invoices upon achievement of agreed milestones. This will all be dependent on the scale, length and cost of the project at the sole discretion of the Council.

12.2 Invoices will normally be settled within 30 days of receipt. Please note that if a project is above £2M value then a Project Bank Account must be used.

13 BUSINESS CONTINUITY

13.1 The Service Provider shall have in place appropriate and tested contingency arrangements to ensure delivery of the services.

13.2 The Service Provider will be responsible for ensuring that any sub-contractors have a plan in place which is robust and tested on an annual basis for the duration of the Contract and any extensions.

14 COMPLIANCE WITH LEGISLATIVE REQUIREMENTS

14.1 The Service Provider must ensure compliance with all relevant standards, legislative requirements and statutory provisions related with the delivery of the services.

14.2 GDPR agreements will be put in place for specific projects as required.

15 THE ENVIRONMENT

15.1 This Contract should contribute to the achievement of the Council's environmental and sustainability objectives. Securing sustainable development is a strategic objective for the Council. The Sustainable Edinburgh 2020 document emphasises the Council's commitment to act on climate change and reduce carbon emissions across the city. http://www.edinburgh.gov.uk/info/20206/sustainable_development_and_fairtrade/841/sustainable_edinburgh_2020

15.2 It is a mandatory requirement that the Service Provider and their personnel make every effort to minimise the impact of the delivery of the services on the environment. The Service Provider shall use their best endeavours to achieve the efficient use of energy and, where possible, to maximise the use of biodegradable or recycled products.

16 COMMUNITY BENEFITS

16.1 As detailed in the Council's Sustainable Procurement Policy, the Council is committed to maximising social, economic and environmental benefits through the delivery of Council contracts (known as 'Community Benefits'). Community Benefits include targeted recruitment and training; sourcing from Small and Medium Enterprises (SMEs), social enterprises and third sector organisations; contributions to education within communities; community consultation, engagement and strengthening of community relations; environmental improvement; volunteering; providing community resources; mentoring and sponsorship of community organisations.

16.2 Service Providers are encouraged to secure positive outcomes that will benefit the community in which they operate. Service Providers shall assist the Council in the delivery of community

benefits. The Council reserves the right to introduce monitoring of the delivery of community benefits via the Council's online system, Cenefits, during the Contract term.

End of Specification