
REPORT TO:	Cabinet
DATE:	31 March 2021
SERVICE AREA:	Place Shaping and Economic Growth
REPORTING OFFICER:	Executive Officer Strategic Property and Major Projects <i>(Jonathan Dunk)</i>
SUBJECT:	AWARD OF CONTRACT FOR CARBON REDUCTION SCHEME AT HARROGATE CONVENTION CENTRE
WARD/S AFFECTED:	ALL DISTRICT
FORWARD PLAN REF:	Key Decision No. 30PSEG20

1.0 PURPOSE OF REPORT

The purpose of this report is two-fold:

(1) To advise Cabinet of a successful bid for £583,914 of grant funding obtained through the Public Sector Decarbonisation Scheme (PSDS) to deliver a fully-funded carbon reduction scheme at the Harrogate Convention Centre (HCC)

(2) To obtain approval from Cabinet to award the contract for the supply of professional services, goods and works in relation to the delivery of the Public Sector Decarbonisation Scheme (PSDS) funded project at Harrogate Convention Centre (HCC) to Engie Regeneration Limited (Engie).

2.0 RECOMMENDATION/S

2.1 That Cabinet notes the successful bid for grant funding and approves the award of contract to Engie by direct award via the Fusion 21 Energy Efficiency framework. This framework is a fully OJEU compliant route to market. The award is in the amount of £583,914 subject to any refined costs fees as set out in paragraph 5.3 below for the supply of professional services, goods and works in relation to the delivery of the Public Sector Decarbonisation Scheme funded project at HCC. The provision of professional services, goods and works are funded by the Public Sector Decarbonisation Scheme Grant award of £583,914.

3.0 RECOMMENDED REASON/S FOR DECISION/S

- 3.1 By utilising the framework and awarding this contract to Engie, the Council will be able to deliver a fully grant funded Decarbonisation scheme at HCC within the tight timescales set out in the grant conditions.
- 3.2 This project will support the delivery of the Corporate Carbon Reduction Strategy and reduce Carbon emissions by 70 tonnes per year.

4.0 ALTERNATIVE OPTION/S CONSIDERED AND RECOMMENDED FOR REJECTION

- 4.1 Not to award the contract to Engie and begin an alternative procurement process. As the value exceeds the goods and services EU threshold (currently) £189,889 a full open tendering procurement process in accordance with the Public Contract Regulations 2015 could easily take in excess of 6 months. This is not recommended. To run a full open tendering procurement process would not allow us to meet the tight grant condition timescales, and the Council could potentially lose the funding and or be obliged to repay the grant funding in part or in full. The proposed professional services, goods and works under the decarbonisation scheme will be designed and installed to work in harmony with the larger HCC investment scheme.
- 4.2 This project is fully funded by a government grant of £583,914 that has been secured through a successful bid to the national Public Sector Decarbonisation Fund. One of the grant conditions is that the programme must be completed by 30 September 2021 and, if this condition is not satisfied there is a risk that the grant funding will need to be partly or fully repaid.
- 4.3 There would be significantly longer timescales associated with starting a new procurement process as defined in 4.1 above for the delivery of this project. This would increase the risk of Harrogate Borough Council needing to repay the grant because it could not fulfil the grant conditions by delivering the project by the end of September.

5.0 THE REPORT

- 5.1 Through the national Public Sector Decarbonisation Scheme, Harrogate Borough Council has bid for and secured £583,914.
- 5.2 This scheme will deliver a project at HCC comprising of the components set out below and reduce Carbon emissions by 70 tonnes per year;
- LED lighting
 - Solar PV
 - Variable Speed Drives
 - Air Source Heat Pumps
 - Pipework Insulation.

- 5.3 Costs arising from the project will be in the region of £583,914 based on high level concept designs and cost assumptions. HBC will report to Salix who are administering the grants on behalf of the Department for Business, Energy and Industrial Strategy. If this increases by more than 10% of the accepted grant value this would be subject to Salix and HBC working together to apply for additional funding.

6.0 REQUIRED ASSESSMENTS AND IMPLICATIONS

- 6.1 The following were considered: Financial Implications; Legal Implications; Strategic Property/Asset Management Considerations; If applicable, the outcomes of any consultations, assessments, considerations and implications considered necessary during preparation of this report are detailed below;
- 6.2 Procurement have been consulted in respect of this report and have no issues regarding the proposed procurement route. The Fusion 21 framework agreement for Energy Efficiency is a fully OJEU compliant route to market. The framework agreement complies with the Public Contracts Regulations 2015. This agreement has Engie ranked in either first or second place across all the Lots. The appointed suppliers to the framework, including Engie have already gone through a competitive tender process in order to be appointed as a supplier to this framework. This ensures that the Council are getting best value for money. As the value exceeds the goods and services EU threshold a full open tender procurement process in accordance with the Public Contracts Regulations 2015 could easily take in excess of 6 months if a full open tender.
- 6.3 Legal Services has been consulted about the contents of this report and has provided advice on the proposed procurement route.
- 6.4 Financial Implications – the expenditure associated with awarding the contract will be funded from the PSDS grant of £583,914 so there is no net cost to the Council. Roughly half of the cost would have been incurred as part of the planned redevelopment of the HCC that is currently being worked up, and the grant will therefore reduce the cost of the future works, with the other half representing an increase in scope and specification that would not otherwise have been possible.

The project will need to be managed carefully to minimise the risk of works over-running and the grant becoming repayable.

7.0 CONCLUSIONS

- 7.1 The grant funding secured for this project will support the delivery of the Corporate Carbon Reduction Strategy and reduce Carbon emissions by 70 tonnes per year.
- 7.2 By awarding this contract to Engie the Council will be able to deliver a fully grant funded Decarbonisation scheme at HCC within the tight timescales set out in the grant conditions.

- 7.3 There would be significantly longer timescales associated with starting a new procurement process for the delivery of this project. This would increase the risk of Harrogate Borough Council needing to repay the grant because it could not fulfil the grant conditions by delivering the project by the end of September 2021.

Background Papers – N/A

OFFICER CONTACT: Please contact Jonathan Dunk, Executive Officer Strategic Property and Major Projects if you require any further information on the contents of this report. The officer can be contacted by e-mail – jonathan.dunk@harrogate.gov.uk