

# **Outwood Parish Council**

## **Outwood Parish Council** **Invitation to tender for Renewable Energy Feasibility Study**

### **About Outwood Parish Council**

Outwood Parish is a community of around 750 residents in Outwood, Surrey.

The Parish Council have identified an opportunity to explore renewable energy systems in the parish to benefit residents, as Outwood is reliant on hydrocarbons (oil/LPG gas) for heating and hot water and is not connected to the gas mains.

Given our location and situation, our initial focus would be ground source heat pumps, water source from a local reservoir in Outwood (owned by Sutton and East Surrey Water) and biomass, but we would be open to other sources of sustainable energy generation, and the feasibility study should include this.

We are surrounded by National trust land and National Trust agricultural tenancy owned land, which we view as a potential partner in this enterprise. The owners of the reservoir and the National Trust have not yet been formally approached.

At our first public meeting in November 2019, we received strong initial support for this idea from the community. We are in on-going open dialogue with our semi-rural community.

In summary, this ITT is to commission a feasibility study to assess the scope for renewable energy in Outwood, that would deliver low carbon energy supplies to as many residents, businesses and community hubs as possible.

### **Introduction to this scope of work**

This ITT is for work carried out under Stage 1 of the Rural Community Energy Fund (RCEF), our application has been reviewed and provisionally accepted by the South East Energy Hub, who are managing the grant fund, pending the selection of a suitable tenderer and full grant application. The focus for services will be to evaluate the feasibility of renewable energy opportunities within the land parcels owned or tenanted by the National trust and other local landowners as partners to the scheme.

The Rural Community Energy Fund (RCEF) has been designed by the DEFRA and the Department for Business, Energy and Industrial Strategy (BEIS) to help support rural communities maximise the income generating potential of renewable energy and promote community-owned renewable schemes.

The Fund is administered by the Greater South East Energy Hub, on behalf of BEIS and aims to achieve its objectives by providing funding for community organisations to establish the feasibility of and develop the business plan for renewable energy facilities. We wish to apply for the grant to commission a feasibility study for community facilities in the village.

This is a significant opportunity for Outwood Parish Council to investigate renewable energy systems within the parish boundary. Installing such systems can protect communities from volatile fuel costs and we would like to use any financial benefit from any energy project for further environmental projects or initiatives identified by the local community e.g. improved insulation to homes, electric car facilities and conservation projects.

Following a successful Stage 1 study, there may be the potential to undertake a more detailed Stage 2 further feasibility assessment of up to £100,000.

Please note that Outwood Parish council do not guarantee to issue any work and no guarantee can, or will be, given by Outwood Parish Council regarding the scope, volume, trade requirement, value, duration,

category or continuity of work to be undertaken, nor should any bidding consultant or organisation seek any implied value of work or work scope in any of the information supplied by Outwood Parish Council.

### **Project brief**

Outwood Parish Council wish to appoint a suitably qualified organisation or consortia, on a consultancy basis to deliver a feasibility study compliant with RCEF's Stage 1 feasibility approach for renewable technologies, for a potential sustainable domestic heating network for Outwood. This would be to replace the use of hydrocarbons for heating and hot water.

We wish to explore the potential for low carbon energy generation for the community. Whilst we have initially identified ground source heat pumps, water source from the local reservoir in Outwood and biomass as the most obvious options, we don't wish to exclude any other potential renewable options. (such as wind for example)

We understand that outlying properties may not be able to be involved in the heat network above due to reasons such as distance from the energy centre and cost vs benefit ratios. We would therefore like the consultants to investigate how to include as many homes within the parish boundary as possible in the move to renewable energy for heating/hot water, and provide an understanding of the financial implications of including more outlying properties.

We would like the consultants to suggest an approach to help those households whose homes cannot be part of a viable heat network, but would like to move to renewable energy for their heating/hot water.

We are commissioning this feasibility study to determine which technology would be best for the sites in scope.

This study should include:

1. Executive Summary for non-technical audience
2. Community Engagement
3. Community Benefits
4. Technology and engineering solutions
5. Financial Projections
6. Planning & Permitting
7. Site
8. Operation and Governance
9. Scheduling
10. Conclusions

These are the sections needed for the RCEF report, which will be written by the consultant to summarise the outputs of the study.

In order to deliver a report compliant with the Stage 1 feasibility approach, we therefore require the appointee to undertake the following:

- 1) Technical appraisal:
  - identify which of the proposed technologies is best suited to renewable energy generation at the sites in scope, i.e. within the parish boundary, and at a high level the engineering solutions that would be required to introduce the technologies. Priority generation technologies for review are ground source heat pumps, water source and biomass, although we do not wish to exclude other renewable options.

This technical assessment should therefore include:

- Identification of possible locations for energy infrastructure and approach the landowners accordingly.
  - current energy usage patterns of the community. Please specify the data you intend to use to undertake this assessment.
  - spatial analysis of the proposed host sites, identifying locations for any new generation equipment, and any access issues [this will require site visit(s)]
  - potential to connect neighbouring buildings to a shared energy network (e.g. homes, the pub(s), Lloyd Hall etc)
  - potential to provide renewable energy to outlying properties
  - structural survey of key buildings as needed, for example the Lloyd Hall (community building). Please explain your approach to this and what type of buildings you would consider important to survey (if any)
  - suitability of generation systems for the existing building fabric, energy consumption patterns, projected future energy use, etc. This should include a high level assessment of housing energy efficiency improvements/modifications likely to be required to make low temperature heating viable
  - anticipation of heat losses in the network, how this is predicted and how energy performance could be improved
  - orientation and shading analysis
  - appraisal of energy storage and networks
  - review of planning requirements for the additional systems
  - any constraints – physical, technical or logistical
- work with Outwood Parish Council to identify the criteria against which any proposed system will be assessed
  - confirm the capacity of the generation plant, as well as annual and lifetime energy generated
  - calculate the environmental benefits and impact of any proposed technology
  - identify any risks, constraints or requirements for preferred technologies at each site
  - clear indication of your prior expertise working on similar approaches adopted or proposed by rural/semi-rural communities and how you can bring this prior expertise to successfully deliver our Stage 1 study and which projects were RCEF funded. Please also evidence this with appropriate case studies.

It is essential that the consultant can demonstrate that they have access to the highly specialist engineering expertise required to fully evaluate the challenges involved and propose viable technical options. This is especially important to fulfil the requirements of the Greater South East Energy Hub and the funding panel.

## 2) Financial appraisal:

- assess the capital costs and lifetime operational costs of each recommended technology
- assess the potential revenue streams, including energy savings, energy sales, financial incentives, etc
- calculate the financial performance of any proposed system, including metrics such as:
  - net present value over system lifetime and any other relevant timescales
  - payback period and return on investment
  - internal rate of return
  - cost of carbon savings
- identify any assumptions, key sensitivities or dependencies that could affect overall financial performance
- present the recommended systems as a clear business case with supporting rationale for review by decision makers, and communication to other stakeholders, e.g. prospective funders or energy clients.

A high level finance appraisal of the project should be completed including all assumptions (grants, incomes, electricity price comparisons) including the counterfactual 'do nothing' and the cost of future energy bills.

## 3) Community benefit assessment:

- the tenderer should work with Outwood Parish Council to identify what kind of benefit the community could reap, and what scale this would be. The benefits of this scheme must be for the benefit of the whole community and this should be reflected in the tenderer's proposed approach. Evaluate different levels of potential community stakeholder commitment.
- identify any non-financial benefits from the scheme, for example educational opportunities, support for other communities wishing to develop similar schemes, and broader community engagement
- this stage should also involve suitable community engagement activities – we ask that your response include a proposal for how best to engage appropriate groups in this project's development, based on case studies of previous engagement challenges. This should include how to conduct a positive engagement campaign through open debate and dialogue and how to counter potential resistance to change. As part of this, we would require the consultants to organise a community meeting and present the findings of the study, most likely at the Lloyd Hall, Outwood. (Covid allowing)

## 4) Funding routes and governance models:

- identify the most suitable funding sources for this project for Outwood Parish Council, and outline what would be involved in accessing these funds
- quantify the relative benefits of any funding route, for example grants vs. financing products, and propose a recommendation to Outwood Parish Council
- assess and recommend a suitable governance model for the scheme, if required (e.g. third party owns and operates, or wholly owned and operated by Outwood Parish Council).

5) Implementation roadmap:

- for any proposed system, identify the next steps to implementation for Outwood Parish Council, e.g. fundraising activities, supplier engagement, further community engagement, governance of the project etc.
- develop an implementation timeline for the proposed project
- identify the planning and permitting requirements of the scheme(s) as proposed
- identify any risks associated with implementing this scheme
- recommendation on whether to apply for RCEF Stage 2 development funding

6) Communications:

- The appointed consultant will be responsible for agreeing all third-party communications with Outwood Parish Council, for example with local residents, other local groups, and existing facility users, as required
- The method of engagement with these groups will be agreed in advance
- It is envisaged that progress reports would be made weekly by email and that meetings and conference calls will be made when needed/as agreed in advance. The client will provide contact details of their project manager. The proposal should include the cost of these meetings and the setting up and leading of a community meeting to present the conclusions from the work. OPC will apply for hall hire fees separately.
- The client should make clear what information and input they will need from Outwood Parish council

As this project will be subject to reporting requirements from the funders, tenderers should state their approach to project management and quality assurance, and how this will ensure compliance with RCEF's reporting requirements. Tenderers should also include a separate project plan document.

**Tender assessment criteria**

For a tender to be assessed, the tenderer must:

- Complete all the information requested in the format provided.
- Supplementary material may also be submitted – please keep brief, general marketing material will not be accepted
- Have successfully delivered the technical, project management and community engagement work on heat network projects and feasibility studies of this nature
- It is understood that organisations may need to 'join forces' in order to deliver all aspects of the study
- Previous experience of delivering RCEF projects ideal
- Provide evidence of Public Liability Insurance and Professional Indemnity Insurance
- Provide details of the relevant specialist qualifications needed to undertake this study

Compliant tenders will be assessed based on information provided by the tenderer. The following scored criteria will be used:

- Your understanding of the project brief and client requirements (5%)
- Overall description of your methodology to deliver the required services.

This will be assessed in terms of:

- the quality of the information supplied
- the clarity of the description for achieving each deliverable
- the persuasiveness of the rationale set out for your approach (30%)
- Company and team experience of similar projects - please provide at least 3 case studies (more if possible) with references and CVs for the proposed team, detailing their key project responsibilities (Please make clear if any are sub-contractors)

Please also provide a proposal for the project plan of proposed hours worked for each seniority level of the team, including those with specialist engineering, community engagement and project management skills, expertise and qualifications. We would also like the tenderer to detail proposed ratio of hours spent on each area, for example technical, community engagement, energy modelling etc. for this study. (25%)

- Your approach to project and risk management (10%)
- Fixed price for delivery of full project deliverables and outcomes, including a short statement outlining any added value you will bring to the project. Please itemise the budget,(including day rates) and confirm invoicing schedule (30%)

Each of the criteria will be scored using the scale below:

0 - No response or wholly unacceptable

1 - Partially meets requirements, but with significant weaknesses

2 - Largely meets requirements but with some weaknesses

3 - Fully meets the requirements

4 - Excellent – exceeds requirements and adds value

Please also supply the following company information (pass/fail):

- Company name
- Address
- Registered office
- Registered number
- Legal status (e.g. sole trader, Private Limited Company, Public Limited Company)
- VAT registration number
- Name of parent company or details of group structure
- Main phone number
- Website
- Please confirm within your response that you hold the following insurance levels:
  - Professional liability - £2 million

- Public liability - £5 million preferably £10million
- Employers liability - £10 million
- Person to contact regarding this tender
- Position
- Contact details
- If you are responding as part of a consortium bid please provide details of all partner organisations

### **Budget**

The total budget for this work should not exceed £37,910.00 (excl. VAT). Tenderers should quote a fixed price fee for the scope of work proposed, including a breakdown of activities and any assumptions therein. Due to budget restraints, we would be unable to provide extra expenses for the consultant(s) to conduct site visits so this should form part of the fixed price fee.

### **Tender timetable**

Tender issued	Tuesday 22 <sup>st</sup> September 2020
Response deadline	Friday 9 <sup>th</sup> October 5pm 2020
Tender evaluation	Week starting Monday 12 <sup>th</sup> October
Preferred supplier identified	Friday 30 <sup>th</sup> October 2020
Stage 1 application to RCEF	Thursday 5th November 2020
Provisional start date (subject to award of grant)	As soon as possible post grant funding approval

Tender responses should be emailed to Fiona Mellington (Co-Chair of Outwood Climate Change Committee) & Nick Wyer (Vice-Chair Outwood Parish Council and Outwood Climate Change Committee liaison/member) by email.

Email:

[fionamellington1@gmail.com](mailto:fionamellington1@gmail.com) & [nickwyer56@gmail.com](mailto:nickwyer56@gmail.com)

Any queries, please email **both** above addresses.