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Tender

## **DN762135 Competitive Dialogue Process for Peterborough Integrated Renewable Infrastructure (PIRI) Project**

Peterborough City Council

F02: Contract notice

Notice identifier: 2025/S 000-003909

Procurement identifier (OCID): ocds-h6vhtk-04b121

Published 6 February 2025, 10:20am

### **Section I: Contracting authority**

#### **I.1) Name and addresses**

Peterborough City Council

Sand Martin House, Bittern Way

Peterborough

PE2 8TY

#### **Contact**

Mrs Helga Kendall

#### **Email**

[Helga.Kendall@peterborough.gov.uk](mailto:Helga.Kendall@peterborough.gov.uk)

#### **Telephone**

+44 1733384593

**Country**

United Kingdom

**Region code**

UK - United Kingdom

**Internet address(es)**

Main address

<https://www.peterborough.gov.uk/business/supplying-the-council/supply-opportunities>

Buyer's address

<https://www.peterborough.gov.uk/business/supplying-the-council/supply-opportunities>

**I.3) Communication**

The procurement documents are available for unrestricted and full direct access, free of charge, at

<https://procontract.due-north.com/Advert/Index?advertId=a978660b-b6e3-ef11-8134-005056b64545>

Additional information can be obtained from the above-mentioned address

Tenders or requests to participate must be submitted electronically via

<https://procontract.due-north.com/Advert/Index?advertId=a978660b-b6e3-ef11-8134-005056b64545>

**I.4) Type of the contracting authority**

Regional or local authority

**I.5) Main activity**

General public services

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## **Section II: Object**

### **II.1) Scope of the procurement**

#### **II.1.1) Title**

DN762135 Competitive Dialogue Process for Peterborough Integrated Renewable Infrastructure (PIRI) Project

Reference number

DN762135

#### **II.1.2) Main CPV code**

- 65000000 - Public utilities

#### **II.1.3) Type of contract**

Services

#### **II.1.4) Short description**

The Council is seeking a long-term Development Partner to enter into a golden share corporate special purpose vehicle (Project Co) with the Council for the development and delivery of the PIRI heat and power network. Project Co shall own, operate and deliver the PIRI network. The Development Partner / Project Co will be required to provide:

- Investment
- Design and build of:
  - o a new district heat (DH) network across the City
  - o a new private wire (PW) network across the City
  - o new PERF heat offtake facility and expansion or modification of existing power offtake facility
  - o a new back up energy centre for the heat network
- Manage and maintain the assets
- Operate the new energy networks

- Manage the retailing of heat and electricity sales

Following completion of the procurement process, the Council will enter into a Development Agreement with the Development Partner. Under the Development Agreement the Development Partner will commercialise the PIRI network. The Development Period is intended to be a relatively short period of time that includes the following activity:

- negotiation and agreement with the Council of the offtake of heat and power from the Peterborough energy recovery facility;
- negotiation and agreement of the heat and / or power supply agreements with a number of private and public sector customers (including the Council) (as further detailed in [x] of the Descriptive Document);
- developing the financial model for the project;
- securing finance for the delivery of the PIRI network
- developing the design of the PIRI network;
- securing the necessary consents and land rights required to deliver the PIRI network; and
- procuring the contractors required to deliver the PIRI network.

If it is determined in accordance with the Development Agreement that the project is to be delivered by the Development Partner, the Development Agreement shall terminate, and the parties shall enter into a Shareholders' Agreement. The Shareholders Agreement shall govern the control of the parties in respect of Project Co. Under the Shareholders' Agreement the Council's rights of control will be limited to specific reserved matters.

It is anticipated that the network will provide heat and / or power to a number of private and public sector customers (including the Council) (as further detailed in the Descriptive Document) by way of contractual arrangements at the conclusion of the Development Period.

Where it is determined in accordance with the Development Agreement that the Development Partner will implement the PIRI network it is the Council's intention to enter into the connection and supply arrangements (in respect of both heat and power) with Project Co without undertaking a separate procurement.

The Contract Value is derived only from the existing TEM and therefore does not include expansion of the network.

The area of the PIRI network is within a prospective heat network zone (Heat network zoning maps - GOV.UK) and the Council is developing the project based on the Department of Energy Security and Network Zero's AZP model documentation.

#### **II.1.5) Estimated total value**

Value excluding VAT: £436,000,000

#### **II.1.6) Information about lots**

This contract is divided into lots: No

### **II.2) Description**

#### **II.2.2) Additional CPV code(s)**

- 65000000 - Public utilities
- 71314000 - Energy and related services

#### **II.2.3) Place of performance**

NUTS codes

- UK - United Kingdom

#### **II.2.4) Description of the procurement**

The Council is seeking a long-term Development Partner to enter into a golden share corporate special purpose vehicle (Project Co) with the Council for the development and delivery of the PIRI heat and power network. Project Co shall own, operate and deliver the PIRI network. The Development Partner / Project Co will be required to provide:

- Investment
- Design and build of:
  - o a new district heat (DH) network across the City
  - o a new private wire (PW) network across the City
  - o new PERF heat offtake facility and expansion or modification of existing power offtake facility
  - o a new back up energy centre for the heat network

- Manage and maintain the assets
- Operate the new energy networks
- Manage the retailing of heat and electricity sales

Following completion of the procurement process, the Council will enter into a Development Agreement with the Development Partner. Under the Development Agreement the Development Partner will commercialise the PIRI network. The Development Period is intended to be a relatively short period of time that includes the following activity:

- negotiation and agreement with the Council of the offtake of heat and power from the Peterborough energy recovery facility;
- negotiation and agreement of the heat and / or power supply agreements with a number of private and public sector customers (including the Council) (as further detailed in [x] of the Descriptive Document);
- developing the financial model for the project;
- securing finance for the delivery of the PIRI network
- developing the design of the PIRI network;
- securing the necessary consents and land rights required to deliver the PIRI network; and
- procuring the contractors required to deliver the PIRI network.

If it is determined in accordance with the Development Agreement that the project is to be delivered by the Development Partner, the Development Agreement shall terminate, and the parties shall enter into a Shareholders' Agreement. The Shareholders Agreement shall govern the control of the parties in respect of Project Co. Under the Shareholders' Agreement the Council's rights of control will be limited to specific reserved matters

It is anticipated that the network will provide heat and / or power to a number of private and public sector customers (including the Council) (as further detailed in the Descriptive Document) by way of contractual arrangements at the conclusion of the Development Period.

Where it is determined in accordance with the Development Agreement that the Development Partner will implement the PIRI network it is the Council's intention to enter into the connection and supply arrangements (in respect of both heat and power) with

Project Co without undertaking a separate procurement.

The estimated value of electricity and heat income received by Project Co will be approximately £436m over a 40 year operating period. This includes variable, standing and connection charges and excludes inflation. The Project Company will continue to own the PIRI network following this period"

Capex Value: £82m which is before the assumed £13.5 GHNF capital.

The area of the PIRI network is within a prospective heat network zone (Heat network zoning maps - GOV.UK) and the Council is developing the project based on the Department of Energy Security and Network Zero's AZP model documentation.

#### **II.2.5) Award criteria**

Price is not the only award criterion and all criteria are stated only in the procurement documents

#### **II.2.6) Estimated value**

Value excluding VAT: £436,000,000

#### **II.2.7) Duration of the contract, framework agreement or dynamic purchasing system**

Duration in months

12

This contract is subject to renewal

No

#### **II.2.9) Information about the limits on the number of candidates to be invited**

Envisaged number of candidates: 3

#### **II.2.10) Information about variants**

Variants will be accepted: No

#### **II.2.11) Information about options**

Options: Yes

Description of options

Extension of agreements at the discretion of the contracting authority

#### **II.2.13) Information about European Union Funds**

The procurement is related to a project and/or programme financed by European Union funds: No

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### **Section III. Legal, economic, financial and technical information**

#### **III.1) Conditions for participation**

##### **III.1.2) Economic and financial standing**

Selection criteria as stated in the procurement documents

##### **III.1.3) Technical and professional ability**

Selection criteria as stated in the procurement documents

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## **Section IV. Procedure**

### **IV.1) Description**

#### **IV.1.1) Type of procedure**

Competitive dialogue

#### **IV.1.8) Information about the Government Procurement Agreement (GPA)**

The procurement is covered by the Government Procurement Agreement: Yes

### **IV.2) Administrative information**

#### **IV.2.1) Previous publication concerning this procedure**

Notice number: [2024/S 000-034560](#)

#### **IV.2.2) Time limit for receipt of tenders or requests to participate**

Date

10 March 2025

Local time

12:00pm

#### **IV.2.4) Languages in which tenders or requests to participate may be submitted**

English

#### **IV.2.6) Minimum time frame during which the tenderer must maintain the tender**

Duration in months: 12 (from the date stated for receipt of tender)

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## **Section VI. Complementary information**

### **VI.1) Information about recurrence**

This is a recurrent procurement: Yes

### **VI.4) Procedures for review**

#### **VI.4.1) Review body**

High Court of England and Wales

7 The Rolls Building, Fetter Lane

London

E4A 1NL

Country

United Kingdom