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Planning

Sunderland Central Heat Network Bidders Day

Sunderland City Council

F01: Prior information notice

Prior information only

Notice identifier: 2024/S 000-009011

Procurement identifier (OCID): ocids-h6vhtk-044acd

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Section I: Contracting authority

I.1) Name and addresses

Sunderland City Council

City Hall, Plater Way

Sunderland

SR1 3AD

Contact

Mr Chris Cummings

Email

chris.cummings@sunderland.gov.uk

Country

United Kingdom

Region code

UKC23 - Sunderland

Internet address(es)

Main address

<http://www.sunderland.gov.uk/>

Buyer's address

<http://www.sunderland.gov.uk/>

I.3) Communication

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

<https://procontract.due-north.com/Procurer/Advert/View?advertId=44d7c275-e3cf-ee11-8127-005056b64545&fromAdvertEvent=True>

Additional information can be obtained from the above-mentioned address

I.4) Type of the contracting authority

Regional or local authority

I.5) Main activity

General public services

Section II: Object

II.1) Scope of the procurement

II.1.1) Title

Sunderland Central Heat Network Bidders Day

Reference number

DN693892

II.1.2) Main CPV code

- 65000000 - Public utilities

II.1.3) Type of contract

Services

II.1.4) Short description

Sunderland City Council (the “Council”) is undertaking a pre-market engagement exercise, by inviting potential bidders to attend a Bidders Day for an upcoming procurement for a suitable economic operator to take forward the delivery of a large-scale heat network in the Sunderland City Centre area to serve a number of municipal, commercial and residential customers through an innovative contractual structure.

The Bidders Day will be held on 09th April 2024 in the Mayors Parlour at the Council’s offices at City Hall, Plater Way, Sunderland, SR1 3AA. The day will run from 9am – 1:30pm.

Organisations can register for the Bidders Day by submitting an e mail prior to the close of business on the 5th April 2024 to ian.elliott@sunderland.gov.uk with details of the name, position and the e mail and telephone contact details of each attendee.

Please note there is a limit of a maximum of 2 attendees per Organisation to the Bidders Day.

Further information on the Bidders Day and a project prospectus is available in the in the Sunderland Central Heat Network Bidders Day advert on the NEPO E Tender Portal on the following weblink

<https://procontract.due-north.com/Procurer/Advert/View?advertId=44d7c275-e3cf-ee11-8127-005056b64545&fromAdvertEvent=True>

Organisations that do not have a NEPO Portal account can register free of charge at www.nepo.org

II.1.6) Information about lots

This contract is divided into lots: No

II.2) Description

II.2.2) Additional CPV code(s)

- 09323000 - District heating

- 45000000 - Construction work

II.2.3) Place of performance

NUTS codes

- UKC23 - Sunderland

II.2.4) Description of the procurement

Sunderland City Council (the “Council”) is seeking interest and proposals from suitable economic operators to take forward the delivery of a large-scale heat network in the Sunderland City Centre area to serve a number of municipal, commercial and residential customers (the “Project”) through an innovative contractual structure.

Following completion of the procurement process, the Council will enter into a joint development agreement (“JDA”) with the selected bidder (“ESCO”) under which the ESCO will be provided with a 12 month exclusivity period to work with the Council in partnership to carry out the commercialisation of the Project.

The JDA will govern the terms upon which the Council and the ESCO will work together to (amongst other things): (a) finalise the connection and supply agreements for the anchor load customers and any other legal documents required for the delivery stage; (b) develop the reference design for the first phase of the network into a construction-ready design; (c) secure the necessary consents and land rights required to deliver the Project; (d) develop the financial model for the Project; (e) arrange the finance for the core scheme; (f) procure the supply chain; and (g) incorporate a special purpose vehicle (“SPV”) to act as the Project delivery vehicle.

On completion of the commercialisation phase and a final investment decision having been approved by both parties, the project will move to the delivery stage and the Council proposes to enter into the “Delivery Contracts” for the project including:-

- the project governance agreement (“PGA”), which shall govern the rights and relationship between the Council and the ESCO in delivering the Project (see below);
- the connection and supply agreements for the anchor load properties (see below); and
- any other relevant legal documents agreed during the commercialisation phase.

This procurement includes the opportunity to provide heat to the initial anchor load customers which includes:-

- South Tyneside and Sunderland NHS Foundation Trust in relation to Sunderland Royal Hospital and, potentially, a number of other buildings owned and occupied by the Trust;

- University of Sunderland in relation to a number of buildings on the University's City Campus;
- Gentoo Group Limited in relation to a number of social housing blocks in the City;
- the Council in relation to Sunderland City Hall; and
- other un-named Public Sector Contracting Authorities within the administrative boundary of The City of Sunderland, with the intention for further expansion of the network in the future.

The forms of connection and supply agreements with each anchor load customer will be agreed between the ESCO and anchor load customers during the commercialisation phase based on the principles document negotiated as part of this procurement.

The Council and the ESCO will also agree the terms of the (“PGA”) during the commercialisation phase based on the principles document negotiated as part of this procurement. The PGA is intended to be a perpetual arrangement with the ESCO taking ownership and full risk in relation to the network. The PGA will include obligations on the ESCO in relation to the delivery of the works, customer service standards, transparent pricing which does not exceed a counterfactual, carbon reduction/growth targets and reporting requirements.

Potential bidders should note that the Council (and the other named public-sector anchor load customers set out above) intend to enter into the relevant Delivery Contracts with the ESCO following completion of the commercialisation phase under the JDA without a separate procurement being undertaken, subject to commercial terms being agreed between the relevant parties. However, if a final investment decision is not achieved in accordance with the JDA the Council reserves the right to conduct a new procurement process for another ESCO for the Project and enter into the Delivery Contracts with the successful bidder in that procurement process.

Further detail on the background and structure of the Project will be provided during the Bidders Day.

II.3) Estimated date of publication of contract notice

10 April 2024

Section IV. Procedure

IV.1) Description

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

The procurement is covered by the Government Procurement Agreement: Yes

Section VI. Complementary information

VI.3) Additional information

This PIN is not a prior call for competition. All information published in the PIN and accompanying documents is indicative only and subject to change. We reserve the right to supplement and vary the conduct of the preliminary market engagement process. Where we do this, we will act transparently. The Council will not be liable for any costs incurred by those participating in the Bidders Day.

Prospective Bidders will not be prejudiced by their participation/failure to participate in the Bidders Day.

The pre-procurement Bidders Day is limited and we will allocate a maximum of two places per organisation.

Note: Instructions on how to register your interest in the Bidders Day is referred to in the description section of this notice.

The Council reserves the right without prior notice to amend the information provided, including, but not limited to, changing the timetable, the scope and nature of the procurement and the procurement process. In particular, the Council reserves the right to issue circulars to interested parties providing further information or supplementing and / or amending the procurement process. In no circumstances shall the Council incur any liability in respect of any changes. This will be subject to the requirements of applicable public law and procurement rules.

The Council also reserves the right to terminate this process at any time without awarding a contract.