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Award

Consultancy Services for Energy Infrastructure Improvement projects supporting the delivery of Net Zero targets

COUNTESS OF CHESTER HOSPITAL NHS FOUNDATION TRUST

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Scope

Description

Supply will be under a proposed public sector building net zero framework managed by the Carbon and Energy Fund Limited (CEF), to propose design and implement a series of improvements to take public buildings to net zero, repaid through guaranteed savings. Suppliers will consider the main routes to net zero which are available in the UK, namely geothermal energy, green district heating energy, hydrogen or biogas delivery, coupled with onsite comprehensive initial and ongoing low carbon energy efficient infrastructure services, improvements and upgrades to existing or new facilities.

The scope of services spans the full range of energy infrastructure measures and comprise 4 Lots: -

- Lot 1 - On-site Energy Reduction and Carbon Mitigation Measures: Covers a broad range of energy efficiency technologies, including LED lighting, BEMS controls, insulation, CHP, solar PV, boilers, battery storage, and internal building works.
- Lot 2 - Geothermal Infrastructure: Involves the design and delivery of ground source and deep geothermal heating systems.

- Lot 3 - District Energy Networks: Supports delivery of heating and cooling networks serving multiple buildings or sites.
- Lot 4 - Green Fuel Infrastructure: Covers hydrogen-ready boilers, biogas systems, and dual-fuel or hybrid energy technologies."

Call-off under the framework will be via mini-competition to appoint a supplier as energy partner to a CEF member throughout the entire project.

CEF manages the entire net zero project on behalf of its members, including the provision of legal and technical advice, a copyrighted call off contract and suite of framework documents, monitoring and verification of savings throughout the entire contract term (typically 15 years), business case support, contracting authority approvals, off balance sheet treatment for Eurostat and IFRIC 12 and, if required, project finance.

Contract 1. Service Concession contract to provide Energy Infrastructure Improvement projects support services

Supplier

- [THE CARBON AND ENERGY FUND LIMITED](#)

Contract value

- £201,600,000 excluding VAT
- £241,920,000 including VAT

Above the relevant threshold

Earliest date the contract will be signed

24 April 2025

Contract dates (estimated)

- 1 August 2025 to 31 July 2033
- 8 years

Main procurement category

Services

CPV classifications

- 71311300 - Infrastructure works consultancy services
- 71314000 - Energy and related services
- 79419000 - Evaluation consultancy services
- 79994000 - Contract administration services

Contract locations

- UK - United Kingdom

Other information

Description of risks to contract performance

The estimated contract start and end date are estimated based on the estimated timescales for award of the Framework.

Conflicts assessment prepared/revised

Yes

Procedure

Procedure type

Direct award

Special regime

Concession

Direct award justification

- Single supplier - technical reasons
- Additional or repeat goods, services or works - extension or partial replacement
- Extreme and unavoidable urgency

Additional or repeat goods, services or works - extension or partial replacement:

CEF provides day-to-day management of the current COCH framework for the provision of carbon and energy infrastructure upgrade services (with COCH reference F023), acting as Existing Framework manager. The Existing Framework was procured in 2022 and is due to expire in 2028. Due to an error in the published estimated value of the Existing Framework and the number and value of projects called off since the Existing

Framework's inception, it now needs re-procuring earlier than expected.

Single supplier - technical reasons:

CEF is uniquely positioned as the only provider with the required procurement expertise, legal (including specialist contract, copyright to CEF), and technical expertise (including project feasibility, technical oversight of design and full quarterly monitoring and verification of the contract savings for the duration of the contract) alongside a pre-established funding structure. No other provider offers a fully integrated service under a concession model (see comparison against CEF peers in the Appendix).

The call off will often include the development of novel services at the request of the contracting authority, for the purpose of testing the suitability of the service and researching the viability of the service. Examples of this included geothermal well testing and construction and research for provision of hydrogen and alternative heat sources, as well as the design and implementation of bespoke energy provision and energy management services for a contracting authority (integration of numerous types of technology and tailoring them to the individual needs of the contracting authority) as well as facilitating all this in a novel IFRIC 12 off balance sheet manner.

Urgency:

Seven Public Sector Decarbonisation Scheme (PSDS) Round 4 funded projects must be delivered before March 2026, with more expected imminently. A competitive process would not be achievable within the funding deadlines and could result in the loss of grant funding. Additionally, there are strict, legally binding net zero carbon reduction targets imposed upon the public sector, requiring an 80% emissions reduction by 2028-2032, an ambitious target with extremely difficult delivery timescales (which would only be eroded further by the carrying out of a further competitive procurement exercise).

Supplier

THE CARBON AND ENERGY FUND LIMITED

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- Public Procurement Organisation Number: PGBR-6284-JYHG

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Accrington

BB5 0EY

United Kingdom

Email: admin@cef.net

Website: <http://www.carbonandenergyfund.net>

Region: UKD46 - East Lancashire

Small or medium-sized enterprise (SME): Yes

Voluntary, community or social enterprise (VCSE): No

Contract 1. Service Concession contract to provide Energy Infrastructure Improvement projects support services

Contracting authority

COUNTESS OF CHESTER HOSPITAL NHS FOUNDATION TRUST

- NHS Organisation Data Service: RJR
- Public Procurement Organisation Number: PGCG-2135-TXWL

Liverpool Road

Chester

CH2 1UL

United Kingdom

Email: info@coch-cps.co.uk

Region: UKD63 - Cheshire West and Chester

Organisation type: Public authority - central government