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Tender

## **Aberdeen Hydrogen Hub Strategic Partnership**

Aberdeen City Council

Aberdeenshire Council

F02: Contract notice

Notice identifier: 2021/S 000-014187

Procurement identifier (OCID): ocds-h6vhtk-02bede

Published 22 June 2021, 1:15pm

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

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

Aberdeen City Council

Woodhill House, Westburn Road

Aberdeen

AB16 5GB

#### **Email**

[CPSSprocurement@aberdeencity.gov.uk](mailto:CPSSprocurement@aberdeencity.gov.uk)

#### **Country**

United Kingdom

#### **NUTS code**

UKM50 - Aberdeen City and Aberdeenshire

## **Internet address(es)**

Main address

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

Buyer's address

[https://www.publiccontractsscotland.gov.uk/search/Search\\_AuthProfile.aspx?ID=AA00231](https://www.publiccontractsscotland.gov.uk/search/Search_AuthProfile.aspx?ID=AA00231)

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

Aberdeenshire Council

Woodhill House, Westburn Road

Aberdeen

AB16 5GB

## **Email**

[cpssprocurement@aberdeencity.gov.uk](mailto:cpssprocurement@aberdeencity.gov.uk)

## **Telephone**

+44 1467530600

## **Country**

United Kingdom

## **NUTS code**

UKM50 - Aberdeen City and Aberdeenshire

## **Internet address(es)**

Main address

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[https://www.publiccontractsscotland.gov.uk/search/Search\\_AuthProfile.aspx?ID=AA00232](https://www.publiccontractsscotland.gov.uk/search/Search_AuthProfile.aspx?ID=AA00232)

## **I.2) Information about joint procurement**

The contract involves joint procurement

## **I.3) Communication**

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

<https://www.publiccontractsscotland.gov.uk/esop/pts-host/public/pts/web/login.html>

Additional information can be obtained from the above-mentioned address

Tenders or requests to participate must be submitted electronically via

<https://www.publiccontractsscotland.gov.uk/esop/pts-host/public/pts/web/login.html>

## **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

Aberdeen Hydrogen Hub Strategic Partnership

Reference number

FNRV 7437

#### II.1.2) Main CPV code

- 24111600 - Hydrogen

#### II.1.3) Type of contract

Supplies

#### II.1.4) Short description

Procurement Purpose

Aberdeen City Council (the "Council") is seeking to procure an experienced, dynamic and innovative strategic partner to form a long-term joint venture with the Council (the "Aberdeen Hydrogen Hub Strategic Partnership"), in order to secure substantial low carbon infrastructure investment and delivery capability in support of the City's Hydrogen Hub and Net Zero Vision. As part of its role in the Aberdeen Hydrogen Hub Strategic Partnership, the strategic partner will be expected to provide finance and investment for the opportunity and competent resources including scoping, design, procurement, project management, implementation, delivery, operation, maintenance, commercial support and technical expertise. Phase 1 will include the procurement of a hydrogen production facility for public sector consumption of a resilient, cost effective supply of green hydrogen on a commercial basis to support both existing and proposed transport projects. Phase 2 envisages supply to larger volume utilisation hydrogen vehicles such as rail, freight and marine. Phase 3 will involve the supply of hydrogen for heat and export.

The joint venture will enter into a Hydrogen Supply Framework Agreement with the Council for an initial period of 10 years with two subsequent optional extensions of 5 years each. This agreement will set out the terms upon which the joint venture will supply hydrogen to the Council during Phase 1, and develop proposals for delivery of hydrogen to the Council during Phases 2 and 3. The Hydrogen Supply Framework Agreement will also set out the terms

upon which Non ACC Contracting Authorities will be permitted to call-off hydrogen supplies under the framework agreement.

The Council has agreed in principle to fund 19.4 million GDP from its Capital Programme as investment in the Hydrogen Energy Partnership. The form of investment by the Council into the joint venture will be the subject of dialogue and subject to meeting subsidy control requirements.

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

Value excluding VAT: £215,000,000

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

This contract is divided into lots: No

## **II.2) Description**

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

- 09120000 - Gaseous fuels
- 24111000 - Hydrogen, argon, rare gases, nitrogen and oxygen
- 31154000 - Uninterruptible power supplies
- 31156000 - Interruptible power supplies
- 31161800 - Parts of gas generators
- 31600000 - Electrical equipment and apparatus
- 34000000 - Transport equipment and auxiliary products to transportation
- 39341000 - Gas pressure equipment
- 42113390 - Fuel-gas systems
- 42124340 - Parts of gas compressors
- 42511000 - Heat-exchange units and machinery for liquefying air or other gases
- 42511200 - Machinery for liquefying air or other gases

- 42980000 - Gas generators
- 44100000 - Construction materials and associated items
- 44161100 - Gas pipelines
- 44161110 - Gas-distribution network
- 44190000 - Miscellaneous construction materials
- 44610000 - Tanks, reservoirs, containers and pressure vessels
- 44611400 - Storage tanks
- 44612000 - Liquefied-gas containers
- 44612100 - Gas cylinders
- 44612200 - Gas tanks
- 45000000 - Construction work
- 45100000 - Site preparation work
- 45111291 - Site-development work
- 45223720 - Petrol/gas stations construction work
- 45231223 - Gas distribution ancillary work
- 45254200 - Construction work for manufacturing plant
- 45255800 - Gas-production plant construction work
- 51100000 - Installation services of electrical and mechanical equipment
- 51111200 - Installation services of generators
- 51111300 - Installation services of transformers
- 51112000 - Installation services of electricity distribution and control equipment
- 65200000 - Gas distribution and related services

- 65320000 - Operation of electrical installations
- 50532300 - Repair and maintenance services of generators
- 63121110 - Gas storage services
- 63712600 - Vehicle refuelling services
- 71242000 - Project and design preparation, estimation of costs
- 71314000 - Energy and related services
- 71356000 - Technical services

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

NUTS codes

- UKM50 - Aberdeen City and Aberdeenshire

Main site or place of performance

Aberdeen City area

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

The Council is seeking to procure an experienced, dynamic and innovative strategic partner to form a long-term joint venture with the Council (the "Aberdeen Hydrogen Hub Strategic Partnership"), in order to secure substantial low carbon infrastructure investment and delivery capability in support of the City's Hydrogen Hub and Net Zero Vision. As part of its role in the Aberdeen Hydrogen Hub Strategic Partnership, the strategic partner will be expected to provide finance and investment for the opportunity and competent resources including scoping, design, procurement, project management, implementation, delivery, operation, maintenance, commercial support and technical expertise. Phase 1 will include the procurement of a hydrogen production facility for public sector consumption of a resilient, cost effective supply of green hydrogen on a commercial basis to support both existing and proposed transport projects. Phase 2 envisages supply to larger volume utilisation hydrogen vehicles such as rail, freight and marine. Phase 3 will involve the supply of hydrogen for heat and export. The joint venture will enter into a Hydrogen Supply Framework Agreement with the Council. This agreement will set out the terms upon which the joint venture will supply hydrogen to the Council during Phase 1, and develop proposals for delivery of hydrogen to the Council during Phases 2 and 3. The term of the Hydrogen Supply Framework will be for an initial period of 10 years with two subsequent optional extensions of 5 years each. The Hydrogen Supply Framework Agreement will also set out the

terms upon which Non-ACC Contracting Authorities will be permitted to call-off hydrogen supplies under the framework agreement. Non ACC contracting authorities will be permitted to call-off hydrogen supplies under the Hydrogen Supply Framework for a period of 8 years from the point at which the hydrogen production facility begins producing hydrogen (currently anticipated to be summer 2024). The Council considers that this is the minimum period which is required to allow the development of a robust business case which will support the development of the project through Phases 1 and 2 and into Phase 3. It is also anticipated that the strategic partner will be willing to work with a broad range of organisations, including those working in Aberdeen's community, energy and sustainability sectors to facilitate the delivery of low carbon energy projects on a city-wide and, potentially, regional basis. It is expected that the Aberdeen Hydrogen Hub Strategic Partnership will comprise a joint venture company between the strategic partner and the Council. The nature of the joint venture and structure of the Council's investment into the joint venture will be discussed with bidders during dialogue. The Council has agreed in principle to fund 19.4 million GDP from its Capital Programme as investment in the Aberdeen Hydrogen Hub Strategic Partnership. The form of investment by the Council into the joint venture will be the subject of dialogue and subject to subsidy control requirements. The Aberdeen Hydrogen Hub Strategic Partnership will be required to procure the design, build, operation and maintenance of a new green hydrogen production facility together with associated refuelling, distribution and transportation infrastructure within the Council's boundaries or within close proximity thereto. The Council envisages that its strategic partner will bring a wealth of commercial expertise to the table with a view to contributing towards economic growth and the development of robust supply chains and wider employment opportunities.

### **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: £215,000,000

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

Duration in months

120

This contract is subject to renewal

Yes



## Description of renewals

Description of renewals: The Hydrogen Supply Framework will be for an initial period of 10 years with two subsequent optional extensions of 5 years each hence 120 months initial term and two subsequent renewals = 240 months in total potentially.

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

Envisaged number of candidates: 3

Objective criteria for choosing the limited number of candidates:

Owing to character limitations in the Contract Notice not all criteria and information relating to this procurement can be included in this notice. The Objective and Non-Discriminatory Criteria are set out in full in the SPD Instructions which can be accessed through the website referenced in section I.3. The SPD selection process will be carried out in 3 stages:

Stage One: Compliance Check and Exclusion Grounds (Mandatory and Discretionary) (Pass/Fail) – that the Bidder has submitted a complete and compliant SPD response; and whether any of the Bidder's, consortium members and/or reliance entities (if any) are in breach of the mandatory grounds for exclusion or, in the case of the discretionary exclusion grounds, are considered ineligible at the discretion of the Council, in accordance with Part III of the SPD and Regulation 58 of the Regulations.

Stage Two: Selection Criteria - Minimum Requirements (Pass/Fail) - that the Bidder meets the requisite economic and financial standing selection criteria deemed appropriate for the Project set out in Part 3 of the SPD Instructions; and meets the technical and professional ability selection criteria set out in Part 3 of the SPD Instructions.

Stage Three: Down Selection: Bidders who pass Stage One and Stage Two will have their SPD response scored in accordance with the Down Selection Criteria. The Down Selection Criteria are set out in Part 3 of the SPD Instructions. The Down Selection Criteria will be

applied to all Bidders that pass Stage 1 and Stage 2 to reduce the number of Bidders that are invited to participate in dialogue.

It is the Council's intention that 3 but in any event not more than 4 Bidders achieving the highest scores will be invited to participate in the competitive dialogue process. In the event of a tie between Bidders for a place in the shortlist, the Bidder with the higher aggregate score for Questions 4C.1.2 Experience as a Client of the competitive procurement of the design, build and commissioning of a gas or hydrogen production and storage facility and Question 4C.1.2: Procurement or supply of operation and maintenance services for a hydrogen production and storage facility will be shortlisted. Only where these scores are the same shall 4 Bidders be taken through to the ITPD stage.

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

Variants will be accepted: No

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

Options: No

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

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

#### **II.2.14) Additional information**

the Council expects to play a role in delivering Hydrogen Energy, and anticipates this may include the integration of low carbon energy related assets. these could include Hydrogen production, refueling stations, Council land and buildings to deliver projects. The Council will also scale up demand through vehicle replacements, district heat, obtain stakeholder support, invest in key assets.

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

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

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

List and brief description of selection criteria

Full details can be found in the SPD and the SPD Instructions which can be accessed through the website referenced in section I.3 of this Contract Notice.

At least one Consortium Member or Reliance Entity (e.g. parent company guarantor) must meet the minimum economic & financial standing selection criteria on behalf of the Consortium to pass.

(4B.1.2) SPD Statement:

Bidders will be required to have an average yearly turnover of a minimum of 25 Million GBP for the last 3 years. The average turnover stated shall be based upon the figures reported in the last 3 year's audited financial statements. The average shall be a weighted average with the most recent year's turnover counting for 60%, the next most recent year counting for 30%, and the third most recent counting for 10%. See SPD Instructions for a worked example.

Where, for any valid reason, the bidder does not have 3 year's audited financial statements available, the Council may accept other forms of documentation which it considers acceptable as proof.

(4B.4) SPD Statement:

Net Assets must be a minimum of 25 Million GBP.

Basis of calculation: Net assets shall be calculated as at the date of the most recently published audited financial statements and should be based upon the financial position reflected therein. The calculation of net assets shall be based on tangible net assets only and shall therefore not include intangible assets such as goodwill and intellectual property.

Net Current Assets must be a minimum of 5 Million GBP.

Basis of calculation: Net current assets shall be calculated as at the date of the most recently published audited financial statements and should be based upon the financial position therein. The calculation shall be based on Current Assets less Current Liabilities.

(4B.6) SPD Statement:

There are no material post balance sheet events or significant business issues disclosed under 4B.6 giving rise to material concerns that the Bidder possesses the necessary economic and financial capacity to perform the contract.

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

List and brief description of selection criteria

Full details can be found in the SPD and the SPD Instructions which can be accessed through the website referenced in section I.3 of this Contract Notice.

Where the Bidder is relying on the technical experience of a Consortium Member or Reliance Entity to meet the requirements of the Selection Criteria and/or Down Selection Criteria, the experience relied on must be consistent with the Consortium Member's or Reliance Entity's role under this Project.

The Selection Criteria and Down Selection Criteria will evaluate Bidders on the basis of:

1. Experience of site identification, appraisal and acquisition
2. Experience as a Client of the competitive procurement of the design, build and commissioning of a gas or hydrogen production and storage facility (with at least one facility currently in production)
3. Experience of the procurement or supply of operation and maintenance services for a gas or hydrogen production and storage facility
4. Experience in the design, build, and operation of compressed or liquefied fuel dispensing facilities
5. Developing and responding to the market
6. Their ability to successful work with the Public Sector
7. Their experience in procuring or supplying low or zero carbon power
8. Their experience in securing debt and/or equity investment to support the development and delivery of projects
9. Their experience (Public or Private Sector) in delivering a Community Benefits Programme
10. Their experience (Public or Private Sector) in delivering Supplier/Supply Chain

Development Programme.

## **III.2) Conditions related to the contract**

### **III.2.2) Contract performance conditions**

SPD responses may be submitted by a single economic operator or a consortia. Full details of proposed contracting structures must be provided in response to Question 4B.6.1 of the SPD. The Council reserve the right to require groups of economic operators to take a particular form or to require that one party has primary liability or to require each party to be jointly and severally liable. The Council reserve the right to disqualify any consortium which changes its composition after down-selection without the Council's prior consent.

### **III.2.3) Information about staff responsible for the performance of the contract**

Obligation to indicate the names and professional qualifications of the staff assigned to performing the contract

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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: [2020/S 251-634174](#)

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

Date

22 July 2021

Local time

12:00pm

#### **IV.2.3) Estimated date of dispatch of invitations to tender or to participate to selected candidates**

9 August 2021

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

English

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## Section VI. Complementary information

### VI.1) Information about recurrence

This is a recurrent procurement: No

### VI.2) Information about electronic workflows

Electronic invoicing will be accepted

### VI.3) Additional information

This notice is being placed on behalf of Aberdeen City Council. Any resultant contract/framework agreement will be available, with the agreement of the Council, for use by Aberdeenshire Council, Highland Council, Moray Council, Robert Gordon University, North East Scotland College, NHS Grampian, Scottish Water, Angus Council, NatureScot, Scottish Environmental Protection Agency and other Scottish contracting authorities, or their agents. These include, but are not limited to, the Scottish Ministers (including Agencies), Scottish Non-Departmental Public Bodies, offices in the Scottish Administration which are not ministerial offices, cross-border public authorities within the meaning of section 88(5) of the Scotland Act 1998, the Scotland Office, the Scottish Parliamentary Corporate Body, councils constituted under section 2 of the Local Government etc. (Scotland) Act 1994, Scottish Fire & Rescue Service, the Scottish Police Authority, Scottish health boards or special health boards, all NHS Scotland, The Integrated Joint Boards established further to the Public Bodies (Joint Working) Act 2014, bodies registered as social landlords under the Housing (Scotland) Act 2001, any public body established by or under the Scotland Act 1998 or any Act of the Scottish Parliament, any association of or formed by one or more of the foregoing, bodies financed wholly or mainly by one or more of the foregoing, bodies subject to management supervision by one or more of the foregoing and bodies more than half of the board of directors or members of which, or, in the case of a group of individuals, more than half of those individuals, being appointed by one or more of the foregoing. All dates, timescales and values set out in this notice and the procurement documents are estimates only and therefore subject to change during the tender process, if required. NOTE: To register your interest in this notice and obtain any additional information please visit the Public Contracts Scotland Web Site

[https://www.publiccontractsscotland.gov.uk/Search/Search\\_Switch.aspx?ID=649932.A](https://www.publiccontractsscotland.gov.uk/Search/Search_Switch.aspx?ID=649932.A)  
summary of the expected community benefits will be provided in the tender documents.

NOTE: To register your interest in this notice and obtain any additional information please visit the Public Contracts Scotland Web Site at

[https://www.publiccontractsscotland.gov.uk/Search/Search\\_Switch.aspx?ID=657968](https://www.publiccontractsscotland.gov.uk/Search/Search_Switch.aspx?ID=657968).

The buyer has indicated that it will accept electronic responses to this notice via the Postbox

facility. A user guide is available at  
[https://www.publiccontractsscotland.gov.uk/sitehelp/help\\_guides.aspx](https://www.publiccontractsscotland.gov.uk/sitehelp/help_guides.aspx).

Suppliers are advised to allow adequate time for uploading documents and to dispatch the electronic response well in advance of the closing time to avoid any last minute problems.

The Contracting Authority does not intend to include a sub-contract clause as part of community benefits (as per Section 25 of the Procurement Reform (Scotland) Act 2014) in this contract for the following reason:

will be part of the Share Holder Agreement

Community benefits are included in this requirement. For more information see:  
<http://www.publiccontractsscotland.gov.uk/info/InfoCentre.aspx?ID=2361>

A summary of the expected community benefits has been provided as follows:

full details to be provided in Tender documents

(SC Ref:657968)

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

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

Aberdeen Sheriff Court

Castle Street

Aberdeen

AB10 1WP

Telephone

+44 1224657200

Country

United Kingdom