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Tender

## **Project South Westminster Area Network (SWAN)**

Department for Business, Energy & Industrial Strategy

F02: Contract notice

Notice identifier: 2024/S 000-014764

Procurement identifier (OCID): ocds-h6vhtk-043b6b

Published 9 May 2024, 7:40am

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

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

Department for Business, Energy & Industrial Strategy

3-8 Whitehall Place

London

SW1A 2EG

#### **Contact**

Katya Addiego

#### **Email**

[katsiaryna.addiego2@energysecurity.gov.uk](mailto:katsiaryna.addiego2@energysecurity.gov.uk)

#### **Country**

United Kingdom

#### **Region code**

UK - United Kingdom

**Internet address(es)**

Main address

<https://www.gov.uk/government/organisations/department-for-energy-security-and-net-zero>

**I.3) Communication**

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

<https://beisgroup.ukp.app.jaggaer.com/>

Additional information can be obtained from the above-mentioned address

Tenders or requests to participate must be submitted electronically via

<https://beisgroup.ukp.app.jaggaer.com/>

Tenders or requests to participate must be submitted to the above-mentioned address

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

Body governed by public law

**I.5) Main activity**

General public services

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## Section II: Object

### II.1) Scope of the procurement

#### II.1.1) Title

Project South Westminster Area Network (SWAN)

#### II.1.2) Main CPV code

- 71314200 - Energy-management services

#### II.1.3) Type of contract

Services

#### II.1.4) Short description

DO NOT apply directly to the buyer.

All tender information MUST be submitted through the Jaggaer eSourcing Portal.

The Department for Energy Security and Net Zero (DESNZ) wishes to establish a Contract for services to commercialise a low carbon heat network within Westminster and then coordinate its delivery should the commercialisation be successful.

The South Westminster Area Network (SWAN) is a heat network opportunity within Westminster that has been developed so far as part of the Department's wider Advanced Zoning Programme. It estimates annual heat demand in excess of 400GWh/y when fully built out. The Department is looking to select a Development Partner with the skills and resources necessary to commercialise a low carbon heat network within Westminster and then deliver it should the commercialisation be successful. The Department and its consultants have engaged with a number of stakeholders across Westminster and have had positive feedback on the proposal to develop a large-scale low carbon heat network in the area. Westminster City Council and the Westminster Business Improvement Districts (BIDs) are supportive of the project and will engage directly with the Development Partner when selected.

The successful Development Partner will be paid by the Department a fee to commercialise SWAN. The cost to the Department of these commercialisation services will be part of the bid process but would be limited to a maximum of £1m and would be governed by a Development Agreement between the Department and the successful bidder over the commercialisation period. An application has been made to the Green Heat Network Fund (GHNF) for an additional £1m of commercialisation grant and £40m of

construction period grant. A decision on whether this has been successful or not is expected to have been made during the procurement period (currently expected to be April-July).

## How to Apply

DESNZ will be using the Jaggaer eSourcing Portal for this procurement.

To register on the Jaggaer eSourcing portal please use the link <https://beisgroup.ukp.app.jaggaer.com/> and follow the instructions to register as a supplier.

If you are already registered on the Jaggaer eSourcing Portal and wish to participate in this procurement, please use the link: <https://beisgroup.ukp.app.jaggaer.com/>.

Once you are logged into the system you will be able to locate the Procurement you wish to leave a bid on by clicking the ITTs Open to All Suppliers and searching for the reference number itt\_1593.

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

Value excluding VAT: £1,000,000

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

This contract is divided into lots: No

## **II.2) Description**

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

- 09300000 - Electricity, heating, solar and nuclear energy
- 09323000 - District heating
- 71314200 - Energy-management services
- 71321200 - Heating-system design services

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

NUTS codes

- UK - United Kingdom

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

When heat network zoning regulations come into force we intend to move the SWAN area forward for designation as a heat network zone, or possibly a heat network delivery area within a wider zone, with the successful bidder for this procurement benefiting from the proposed incumbency rules as they apply to the SWAN area. In relation to activities beyond the limits of the SWAN Area the successful bidder for SWAN would need to bid for zone rights through the competed process managed by either the future Zone Coordinator or Central Authority as appropriate.

#### Duration

The Contract duration shall be for a period of 18 months with optional extension of 12 months.

#### Type of Agreement

The governance model for SWAN is proposed to be a Development Agreement during the commercialisation phase of Project SWAN (2024-2026). The Development Agreement will set out the key objectives currently envisaged for SWAN, including:

- A low carbon heat network to be developed in the Westminster area,
- The network that is taken to delivery will need to be of sufficient size
- The pace of delivery

The Development Agreement will have bilateral termination rights dependant on certain contingent outcomes primarily focused on:

- Does the project remain viable?
- Has a GHNF grant been obtained for the project?

The Development Agreement will have payment terms that relate to achievement of agreed milestones.

Should the project be successfully commercialised then there would be a decision point about whether to take the project forward to delivery.

Should the project be taken forward to delivery, the Department's governance over the project from that point onwards would be through the Grant Funding Agreement under the Green Heat Network Fund (assuming the application is successful).

Beyond this, the Department's long-term objectives are intended to be achieved through

regulations regarding customer protection, technical standards and potentially heat network zoning, should the SWAN area be designated as a heat network zone, from 2025 when these regulations are due to come into force.

Timeline (all dates are indicative only and subject to review) - please see the provided documentation.

For any questions, please email [Katsiaryna.Addiego@energysecurity.gov.uk](mailto:Katsiaryna.Addiego@energysecurity.gov.uk).

#### **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: £1,000,000

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

Duration in months

18

This contract is subject to renewal

Yes

Description of renewals

Option to extend for a further 12 months

#### **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

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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

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

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

As stated in the procurement documents

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## **Section IV. Procedure**

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

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

Open procedure

#### **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 000-005498](#)

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

Date

9 July 2024

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: 4 (from the date stated for receipt of tender)

**IV.2.7) Conditions for opening of tenders**

Date

9 July 2024

Local time

12:00pm



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## **Section VI. Complementary information**

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

This is a recurrent procurement: No

### **VI.3) Additional information**

DO NOT APPLY DIRECTLY TO BUYER

All submissions will be assessed in accordance with the Public Procurement Regulations that apply to this opportunity.

Responses must be received by the date and time in the tender documentation; responses received outside of the deadline or not sent via the Jaggaer eSourcing portal will not be accepted or considered by the Contracting Authority further for this opportunity, unless a system outage is experienced, to which the Contracting Authority will advise upon accordingly. Interested organisations should ensure that they allow a sufficiency of time, prior to the deadline to allow all sections to be completed in full and any attachments to be uploaded.

As a user of the Jaggaer eSourcing Portal you will have access to the Jaggaer messaging service which facilitates all messages sent to you and from you, as well as other messages and updates in relation to any specific tender event. Please note that any and all information secured outside of the messaging service, shall have no Legal Standing, merit or worth and should not be relied upon by any organisation submitting a tender response.

Please note it is your organisations responsibility to access these messages on a regular basis to ensure you have sight of all relevant information applicable to this opportunity.

The Contracting Authority expressly reserves the right:

- i. not to award any contract as a result of the procurement process commenced by publication of this notice; and
- ii. to make whatever changes it may see fit to the content and structure of the procurement; and under no circumstances as part of your organisations participation in this opportunity, will the Contracting Authority be liable for any costs incurred by any organisation as a result. If the Contracting Authority decides to enter into a contract with any successful organisation(s), this does not mean that there is any guarantee of subsequent contracts being awarded. Any expenditure, work or effort undertaken prior to contract award is accordingly a matter solely for the commercial judgement of your

organisation in doing so.

The Department for Energy Security and Net Zero uses the Jaggaer eSourcing Portal as its eSourcing tool. Jaggaer will be used for this competition. To register as a supplier, please visit <https://beisgroup.ukp.app.jaggaer.com/> and follow the instructions to register as a supplier.

Please note that, to register, you must have a valid DUNS number (as provided by Dun and Bradstreet) for the organisation which you are registering, who will be entering into a contract if invited to do so.

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

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

Department for Business, Energy & Industrial Strategy

3-8 Whitehall Place

London

SW1A 2EG

Email

[katsiaryna.addiego2@energysecurity.gov.uk](mailto:katsiaryna.addiego2@energysecurity.gov.uk)

Country

United Kingdom

### **VI.4.4) Service from which information about the review procedure may be obtained**

Department for Business, Energy & Industrial Strategy

3-8 Whitehall Place

London

SW1A 2EG

Country

United Kingdom

