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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

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

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.

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

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

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

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

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