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Planning

Green Heat Network Fund (GHNF) Supplementary Contract

DESNZ & DSIT Group Commercial

F01: Prior information notice

Prior information only

Notice identifier: 2024/S 000-022916

Procurement identifier (OCID): ocids-h6vhtk-0483d8

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Section I: Contracting authority

I.1) Name and addresses

DESNZ & DSIT Group Commercial

3-8 Whitehall Place

London

SW1A 2EG

Email

Michael.Oneill@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

Additional information can be obtained from 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

Green Heat Network Fund (GHNF) Supplementary Contract

II.1.2) Main CPV code

- 75100000 - Administration services

II.1.3) Type of contract

Services

II.1.4) Short description

The Green Heat Network Fund (GHNF) is a capital scheme that provides grant funding to developers of zero and low carbon heat networks in England. Launched in March 2022, the GHNF is being implemented by a third-party delivery partner. The GHNF has been allocated funding up to 2027-28 and currently intended to run 9 application rounds, with the 9th round due to close in early 2025 ?The current delivery partner contract will end in June 2028.

DESNZ requires a delivery partner, that will be contracted under a Supplementary contract, to continue to compliantly deploy additional GHNF funding, should it become available , from FY 2025/26 or later. In doing so, this Supplementary contract would enable an increased volume of GHNF capital funding to be deployed to additional projects over the next 2-4 financial years. It is important to note that there is currently no additional funding secured.

The Supplementary contract will also provide continued Monitoring and Reporting (M&R) services to several heat network capital schemes from FY 2025/26. These schemes include: GHNF Transition Scheme, GHNF, Heat Network Investment Project - HNIP (GHNF predecessor), and HNIP Pilot.

The Supplementary contract is expected to include (i) the above-mentioned M&R function as well as (ii) the following services, subject to additional capital funding being secured:

- Comprehensive assessment of heat network projects applying to the GHNF (incl. commercial, techno-economic, financial background checks, and deliverability assessment)
- Administration of GHNF application windows and Investment Committees
- Leading on business development activities (inc. relationship management and stakeholder engagement, communications and marketing)
- Project contracting and grant administration
- End-to-end project management for the scheme
- Project change management function (drawing on technical, legal, and engineering skills/knowledge relevant to the heat networks sector)

The Supplementary contract will support delivery of the GHNF, as such the anticipated high-level requirements are as follows:

- Scheme mobilisation
 - Knowledge transfer
 - Acceptance of GHNF processes
- Application and assessment period
 - Business development management

- Application and assessment windows (including Investment Committee membership and Secretariat duties)
- Contracting of projects
- Management of funding
- Monitoring and Reporting (M&R)
 - ?M&R of projects funded by GHNF under the scope of the Supplementary contract
 - Management of project change requests submitted by projects funded by GHNF under the Supplementary contract.
 - Supporting and informing an independent evaluation of the GHNF
- Exit management

Under the Supplementary contract, M&R services will also be required for existing projects funded by HNIP and HNIP Pilot and for existing projects funded by GHNF and GHNF Transition Scheme.

?See below in Section 2.2.4) Description of the procurement.

II.1.5) Estimated total value

Value excluding VAT: £10,000,000

II.1.6) Information about lots

This contract is divided into lots: No

II.2) Description

II.2.2) Additional CPV code(s)

- 09323000 - District heating
- 66120000 - Investment banking services and related services
- 66150000 - Financial markets administration services
- 66171000 - Financial consultancy services
- 71313000 - Environmental engineering consultancy services

- 71314300 - Energy-efficiency consultancy services
- 72224000 - Project management consultancy services
- 75130000 - Supporting services for the government
- 75131000 - Government services
- 79411000 - General management consultancy services

II.2.3) Place of performance

NUTS codes

- UK - United Kingdom

II.2.4) Description of the procurement

We will run a competitive procedure through the CCS Fund Administration & Disbursement Services (FAADS) DPS (RM6322).

Timeline (all dates are indicative only and subject to review)

Market Engagement ?- July 2024 - September ?2024

ITT Period ?- October 2024 - ?November 2024

Evaluation and Moderation ?- November 2024– December ?2024

Award and Contract Signing ?- December 2024 - January? 2025

Mobilisation ?- Jan 2025 – Mar 2025 ?

Service Commencement Date ?- March 2025 ?

Contract Duration

The indicative Contract duration shall be for a period of up to 63 months (5 years and 3 months) inclusive of optional extensions periods.

Contract Value

The estimated Contract Value is anticipated to be between £8m and £12m

Type of Agreement

The supplementary contract would provide flexibility to deploy additional capital funding through additional application rounds (starting from Round 10). Due to uncertainty of this additional funding being available, the contract may be volume-based. ?

The awarded contract may include variation clauses (contract length, funding and contract value) that can be triggered to extend the contract if more funding becomes available in coming year(s). ?The maximum anticipated length of agreement would be from January 2025 – April 2030.

II.2.14) Additional information

Please confirm interest in the above opportunity by emailing Michael.ONeill@energysecurity.gov.uk by the deadline date of 12pm on 22nd August 2024.

Please note framework approach communicated in the PIN is still subject to change.

II.3) Estimated date of publication of contract notice

1 October 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