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Tender

## **Shawfair Energy Centre & District Heating Network**

Midlothian Energy Limited (MEL)

F05: Contract notice – utilities

Notice identifier: 2021/S 000-026563

Procurement identifier (OCID): ocds-h6vhtk-02ef30

Published 22 October 2021, 5:05pm

The closing date and time has been changed to:

**29 November 2021, 3:00pm**

See the [change notice](#).

### **Section I: Contracting entity**

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

Midlothian Energy Limited (MEL)

The Tun Building, 4 Jackson's Entry, Holyrood Road

Edinburgh

EH8 8PJ

#### **Email**

[alistair.ngyou@vattenfall.com](mailto:alistair.ngyou@vattenfall.com)

#### **Country**

United Kingdom

**NUTS code**

UKM73 - East Lothian and Midlothian

**Internet address(es)**

Main address

<https://heat.vattenfall.co.uk/>

Buyer's address

[https://www.publiccontractsscotland.gov.uk/search/Search\\_AuthProfile.aspx?ID=AA30527](https://www.publiccontractsscotland.gov.uk/search/Search_AuthProfile.aspx?ID=AA30527)

**I.3) Communication**

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

<https://heat.vattenfall.co.uk/shawfair-design-and-build-prequalification>

Additional information can be obtained from the above-mentioned address

Tenders or requests to participate must be submitted electronically via

<https://heat.vattenfall.co.uk/shawfair-design-and-build-prequalification>

**I.6) Main activity**

Production, transport and distribution of gas and heat

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## **Section II: Object**

### **II.1) Scope of the procurement**

#### **II.1.1) Title**

Shawfair Energy Centre & District Heating Network

#### **II.1.2) Main CPV code**

- 45232140 - District-heating mains construction work

#### **II.1.3) Type of contract**

Works

#### **II.1.4) Short description**

MEL is seeking to procure a suitably experienced company to lead the successful design and construction of a heat network for the Shawfair area in Midlothian, Scotland. The heat network development will consist of a connection to a local Energy from Waste Plant, the construction of an Energy Centre complete with back-up boiler plant, District Heating Networks (DHN) and heat substations.

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

Value excluding VAT: £20,000,000

#### **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
- 38551000 - Energy meters
- 42515000 - District heating boiler
- 44163120 - Distance-heating pipes

- 45000000 - Construction work
- 45232140 - District-heating mains construction work
- 45251000 - Construction works for power plants and heating plants
- 45251250 - District-heating plant construction work
- 71311000 - Civil engineering consultancy services
- 71314000 - Energy and related services
- 71314310 - Heating engineering services for buildings
- 71700000 - Monitoring and control services

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

NUTS codes

- UKM73 - East Lothian and Midlothian

Main site or place of performance

Shawfair

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

Shawfair is a new mix use residential and commercial development in Midlothian, Scotland. A local Energy from Waste plant (EfW) has heat of up to 95°C available as a by-product of its operations for the development area.

This project aims to connect the EfW waste heat to the development and to create a sustainable District Heating Network for the wider Midlothian area.

The heat is to be transported from the EfW to an Energy Centre (EC), from where the heat disperses into a District Heating Network (DHN). The capacity of the DHN will be about 16.5MW. The DHN will connect to both residential units and mixed use space including office, retail and community space.

When heat from the EfW is not available, it must be created at the EC. The EC will be fitted with boilers, thermal stores and other general equipment required for DHN operation, such as pressure keeping, and water quality control. It will also house the control system of the entire network.

Steel based district heating pipes will form the primary network that feeds the warm water to Heat Substations, where the water is hydraulically separated from secondary networks.

The Secondary Off Plot networks will be polymer based district heating networks that transport warm water to the boundary of development plots.

NOTE : All Secondary On Plot DHN Networks are for the plot developer to coordinate the connection to all dwellings including the interfaces with the dwellings. This does not form part of this scope.

The build programme for the works included in this contract notice will be approximately 24 months.

The project is new build.

It is anticipated that the contract scope shall include (but is not limited to) design and build of:

- Pipework and connections to EfW heat offtake system
- Energy Centre
- Electrical installation, instrumentation and controls
- Primary DHN Spine
- Initial Heat Sub Stations across wider plot development area
- Initial Off Plot Secondary district heating pipework

The contract will contain options for MEL to instruct the successful contractor to price and carry out the design and build of network extensions to new customers beyond the initial scope listed.

MEL reserves the right to benchmark the price of any additional works under a separate contract notice and potentially award those works to others.

#### **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: £20,000,000

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

Duration in months

24

This contract is subject to renewal

No

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

Envisaged number of candidates: 6

Objective criteria for choosing the limited number of candidates:

Following a prequalification process, a shortlist of participants will be invited to participate in the invitation to negotiate (ITN) process. The intention is that the candidates that comply with all the Exclusion Criteria and with the 6 highest scores will be invited to participate in the ITN process. MEL reserves the right to invite less candidates than the envisaged number of candidates listed above should less than 6 candidates meet the Exclusion Criteria in the prequalification document instructions or should MEL receive less than 6 responses. The objective criteria for choosing the shortlisted candidates are set out in the prequalification document instructions which can be accessed as described in section I.3.

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

Variants will be accepted: No

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

Options: Yes

Description of options

The contract value stated above includes a current estimated value for the phase 1 project (capital expenditure of an estimate 20 million GBP). The contract will contain options for MEL to instruct the successful contractor to price and carry out the design and build of network extensions to new customers beyond the initial scope as listed above but estimated to consist of:

- Additional Plant Rooms within an adjacent location (excluding civils and utilities)
- Additional Heat Sub Stations across wider plot development area (up to ~4MWth, excluding civils and utilities)
- Additional Primary DHN Spine
- Additional Off Plot Secondary district heating pipework
- Additional Electrical installation, instrumentation and controls

MEL estimates an allowance of a further 5 million GBP for the value of any network extensions that may be instructed at MEL's option.

### **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**

List and brief description of selection criteria

Minimum Turnover

Dun & Bradstreet Ratios

Insurance

Minimum level(s) of standards possibly required

Bidders will be required to have a yearly turnover of a minimum of 40m GBP for each of the last 3 years, and provide 3 year's audited financial statements

Where, for any valid reason, the bidder does not have 3 year's audited financial statements available, MEL may accept other forms of documentation which it considers acceptable as proof and the bidder should submit such proof with their response.

Where any bidder is relying on the financial and economic standing of another economic operator (such as a parent or holding company) this MUST be clearly stated and will only

be acceptable where: (1) the economic operator which is being relied on completes its own SPD (including Question 4B) in accordance with 2C.1; and (2) a letter of support is provided by the economic operator being relied on clearly referencing (i) the economic operator it is guaranteeing; (ii) providing an undertaking to guarantee that economic operator's obligations under the contract; and (iii) explaining the guarantor's relationship to that economic operator.

MEL will perform a full credit assessment to determine the financial and economic strength of the bidder and any supporting economic operator. Credit assessments will be provided by a third party, Dun & Bradstreet.

To pass the full credit assessment via Dun & Bradstreet, in addition to the minimum yearly turnover, bidders will need to have a Financial Strength of 1A or greater and Risk Indicator of 3 or less. In the event that the bidder cannot demonstrate these levels via Dun & Bradstreet (due to country variations) an equivalent indicator (according to Dun & Bradstreet) will also be acceptable by MEL.

It is a requirement of this contract that bidders hold, or can commit to obtain prior to the commencement of any subsequently awarded contract, the types and levels of insurance indicated below:

#### Minimum Insurance Level Requirements

- Employer's Liability Insurance = 10 million GBP
- Public & Products Liability Insurance = 10 million GBP
- Professional Indemnity Insurance = 5 million GBP
- Contractors all risk = Contract value

Bidders must also provide the economic and financial standing information required as stated in the Qualification Questionnaire which is part of the tender documents available as noted at I.3.

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

Selection criteria as stated in the procurement documents

#### **III.1.4) Objective rules and criteria for participation**

List and brief description of rules and criteria

Please see Qualification Questionnaire which is part of the tender documents available as

noted at I.3.

### **III.1.6) Deposits and guarantees required**

As per question 6.4 in the Qualification Questionnaire. Guarantee values are to be confirmed at invitation to negotiate stage

### **III.1.7) Main financing conditions and payment arrangements and/or reference to the relevant provisions governing them**

To be confirmed at invitation to negotiate stage.

### **III.1.8) Legal form to be taken by the group of economic operators to whom the contract is to be awarded**

The company is willing to accept responses from single operators or operators acting in a consortium (whether or not the consortium form a special purpose vehicle). Where multiple operators are forming a consortium to submit a tender response, responses to the PQQ must:

1. include technical, professional and financial information for each member of any consortium;
2. explain the legal form any operators acting as a consortium intend to take; and
3. include for joint and several liability between the consortium members and demonstrate sufficient financial security in relation to the group's response.

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

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

To be confirmed in the contract documents to be issued at invitation to negotiate stage

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## **Section IV. Procedure**

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

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

Negotiated procedure with prior call for competition

#### **IV.1.4) Information about reduction of the number of solutions or tenders during negotiation or dialogue**

Recourse to staged procedure to gradually reduce the number of solutions to be discussed or tenders to be negotiated

#### **IV.1.8) Information about the Government Procurement Agreement (GPA)**

The procurement is covered by the Government Procurement Agreement: No

### **IV.2) Administrative information**

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

Originally published as:

Date

22 November 2021

Local time

3:00pm

Changed to:

Date

29 November 2021

Local time

3:00pm

See the [change notice](#).

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

**candidates**

25 February 2022

**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: 12 (from the date stated for receipt of tender)

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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 ordering will be used

Electronic invoicing will be accepted

Electronic payment will be used

**VI.3) Additional information**

All dates, timescales and values set out in this notice are estimates only and so subject to change during the tender process, if required. The date and time for tender submission will be confirmed in the invitation to negotiate.

The tender evaluation methodology will be published as part of the invitation to negotiate.

Under the terms of this contract the successful supplier(s) will be required to deliver community benefits in support of the MEL's economic and social objectives. Accordingly, contract performance conditions may relate in particular to social and environmental considerations. The community benefits included in this contract will be detailed within the invitation to negotiate.

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=668671](https://www.publiccontractsscotland.gov.uk/Search/Search_Switch.aspx?ID=668671).

A sub-contract clause has been included in this contract. For more information see:

<http://www.publiccontractsscotland.gov.uk/info/InfoCentre.aspx?ID=2363>

Community benefits are included in this requirement. For more information see:

<https://www.gov.scot/policies/public-sector-procurement/community-benefits-in-procurement/>

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

Details of the community benefit requirements will be included in the procurement documents.

(SC Ref:668671)

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

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

Edinburgh Sheriff Court

27 Chambers Street

Edinburgh

EH1 1LB

Country

United Kingdom