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Planning

Climate Innovation Pull Facility (CIPF) Facility Manager

Department for Energy Security and Net Zero

F01: Prior information notice

Prior information only

Notice identifier: 2024/S 000-039651

Procurement identifier (OCID): ocds-h6vhtk-04c5c7

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Section I: Contracting authority

I.1) Name and addresses

Department for Energy Security and Net Zero

3-8 Whitehall Place

London

SE1A 2EG

Contact

Charlotte Finlay

Email

internationalclimateandenergy.procurement@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

Ministry or any other national or federal authority

I.5) Main activity

General public services

Section II: Object

II.1) Scope of the procurement

II.1.1) Title

Climate Innovation Pull Facility (CIPF) Facility Manager

Reference number

prj_196

II.1.2) Main CPV code

- 75211200 - Foreign economic-aid-related services

II.1.3) Type of contract

Services

II.1.4) Short description

The UK Department of Energy Security and Net Zero is planning to procure a supplier to manage a new facility - the Climate Innovation Pull Facility. Through pull finance, this facility will support innovation, scale up and market building for climate change mitigation solutions for developing country contexts, focusing on innovative clean energy technologies and business models in a small number of specific applications/sectors, where the evidence shows support is most needed. The planned facility is up to £500m (inclusive of extension options) and is part of the Department's International Climate Finance portfolio and funded with Official Development Assistance (ODA).

The Department is planning to procure two contracts:

- i) A facility manager (the focus of this notice)
- ii) An independent evaluation partner (subject to a separate procurement and associated notices)

II.1.5) Estimated total value

Value excluding VAT: £500,000,000

II.1.6) Information about lots

This contract is divided into lots: No

II.2) Description

II.2.2) Additional CPV code(s)

- 75211200 - Foreign economic-aid-related services

II.2.3) Place of performance

NUTS codes

- UK - United Kingdom

Main site or place of performance

Pull projects will be delivered in a variety of ODA eligible countries globally.

II.2.4) Description of the procurement

Please note that this PIN is issued to inform the market of an upcoming market engagement event. More information about the next steps and forward timeline will be provided in the meeting and in future notices. All information shared in this notice and at the event is indicative and subject to full and final approvals by the Department.

The UK Department of Energy Security and Net Zero is planning to procure a supplier to manage a new facility - the Climate Innovation Pull Facility. Through pull finance, this facility will support innovation, scale up and market building for climate change mitigation solutions for developing country contexts, focusing on innovative clean energy technologies and business models in a small number of specific applications/sectors, where the evidence shows support is most needed.

In public innovation financing, "pull mechanisms" create incentives for innovators and other actors by creating viable market demand. They seek to reduce viability gaps and induce innovation by signalling demand for solutions to specific problems. Mechanisms often cited include Advanced Market Commitments, Results or Outcomes Based Financing, Prizes/Challenges, innovation bulk procurements, Contracts for Difference, among others. By contrast, much innovation support has to date utilised "push mechanisms" directly subsidising up-front R&D costs.

In terms of climate mitigation solutions, the CIPF will support the development of innovation projects aligned to Ayrton Fund themes: industrial decarbonisation, sustainable cooling, smart energy systems and storage and clean transport. Further details of Ayrton Fund thematic challenges are set out on [gov.uk](https://www.gov.uk).

The procurement of this requirement will be in two parts:

- i) A contract for a Facility Manager to manage the programme and identify, incubate, commission and oversee 6-10 climate pull projects of £10m - £50m each. This contract will also cover programme monitoring and learning.
- ii) A separate contract for an Independent Evaluator of the programme, who will conduct a mid-term and end-of-term evaluation of the programme's achievement of its development objectives, theory of change and value for money. This procurement is subject to a separate procurement procedure.

The procurement for the Facility Manager is the focus of this notice and will be run as a competitive procedure with negotiation. The initial contract value is £183m over 5.5 years with options to extend by up to £317m and up to 3 additional years. Extensions are subject to further approvals. Of the £183m initial contract value, at least £150m of this will be allocated for climate pull projects, the majority of which will be grant funding.

The Department hosted some initial engagement in 2023 and 2024 and received significant feedback from the market. Slides and recordings of previous sessions are available on the opportunities section of the procurement portal. Updated draft documents including statement of requirements, KPIs, technical questions and key contract schedules will be available to download from the portal by 12 December 2024. Please access these documents here:

<https://beisgroup.ukp.app.jaggaer.com/esop/guest/go/opportunity/detail?opportunityId=55>

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Feedback on the published draft documents and any queries are welcomed in writing to internationalclimateandenergy.procurement@energysecurity.gov.uk by 20 January 2025. The Department is not offering alternative feedback routes at this time.

As the procurement is now progressing towards the release of a contract notice, we would like to take the opportunity to provide a final update to the market. The Department will be hosting an online presentation on 14 January 2025 at 11:30 GMT to share thinking on the final scope and content of the programme as well as commercial structure and procurement procedure. To attend please register here: <https://forms.office.com/e/Yd7LQY6kfT>

II.2.14) Additional information

An additional market engagement event will be held for the independent evaluation contract on 15 January 2025 at 11:00 GMT. Additional notices will be published for this opportunity together with details for how to register by 12 December 2024.

II.3) Estimated date of publication of contract notice

3 February 2025

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