

Resource Efficiency Framework Agreement

Advice, Support and Delivery Service for Energy Efficiency Advice and Environmental Consultancy

Customer guidance notes



Contents

1. Purpose of this document
2. Public Accounts Committee (PAC) Recommendations 2013 on Buying Consultancy Services
3. Background to the Framework agreement
4. Benefits of using the Framework agreement
5. Other Frameworks you may be interested in using
6. Framework duration
7. Framework Value
8. Eligible customers
9. Framework scope
10. Framework pricing
11. How to place a call-off contract using direct award or further competition
12. Consultancy Grades
13. Evaluating Mini Competitions
14. Mini Competition Award Criteria
15. Finalising the Call off
16. Terms and Conditions
17. Key Performance Indicators
18. Management Information
19. Contract Management
- 20 . Feedback and contact details
21. Supporting Documentation

1 The Purpose of this document

- 1.1** This Framework Guidance is intended to provide information and assistance on the Resource Efficiency Wales Framework.
- 1.2** The guidance document also intends to serve the following purposes:
 - 1.2.1** Set out actions that customers are required to take in order to enter into call off contracts/direct awards under the Framework Agreement and;
 - 1.2.2** Inform Framework suppliers of the various processes that customers will follow in order to obtain services under the Resource Efficiency Wales Framework Agreement.
- 1.3** The guidance notes will be updated on a regular basis and should, therefore, be reviewed frequently to ensure efficacy and accuracy.
- 1.4** The control document will be hosted within the NPS contracts section on www.sell2wales.gov.uk
- 1.5** This document is for guidance only and is not a contractual document.

2 Public Accounts Committee (PAC) Recommendations on Buying Consultancy Services 2013

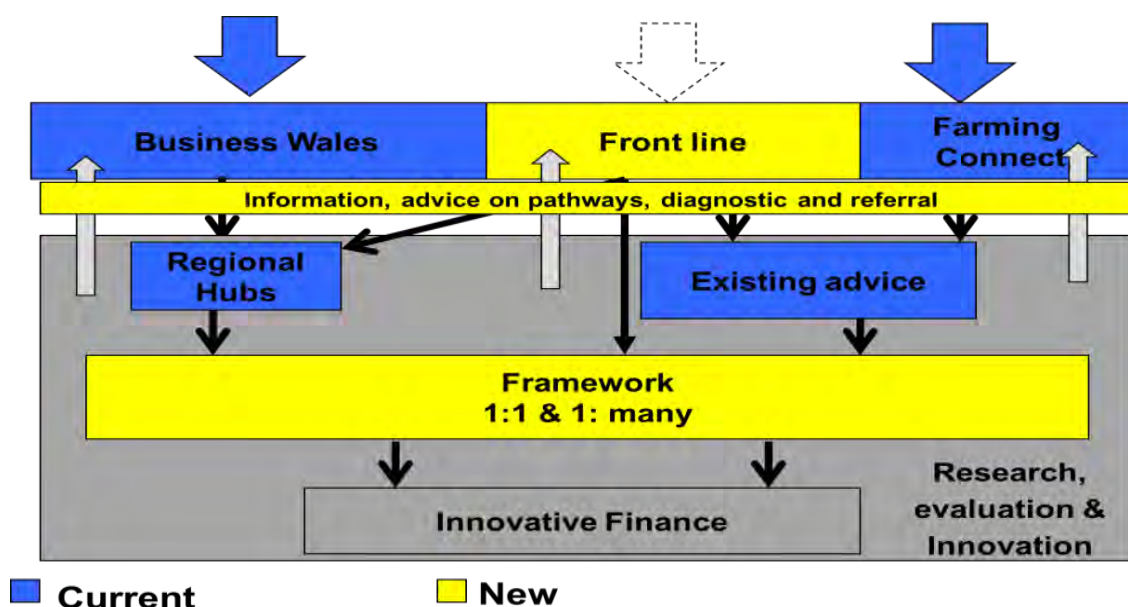
- 2.1** This framework fully supports the PAC Recommendations on Buying Consultancy Services 2013.
- 2.2** Before engaging external services you should always assess the availability of internal resource or secondment opportunities.
- 2.3** To support this approach we have provided a Business Case template at Annex 4.
- 2.4** Producing a business case will help you fully define your requirements in advance of any procurement and will assist your HR or other resourcing teams in identifying the availability of internal resource.

2.5 The full list of PAC recommendations and background to the investigation can be found at
<http://www.senedd.assembly.wales/mglIssueHistoryHome.aspx?IId=5874>

3 Background to the Framework

- 3.1** For the past 10 years the Welsh Government has operated a grant funded model for the provision of resource efficiency advice across the domestic, business and public sectors in Wales. However, it was appreciated that due to significant changes in the market, the grant funded arrangement no longer optimised the delivery of Value for Money (VfM) from energy efficiency advice expenditure. This was further highlighted by the comprehensive scoping study (2013), which was commissioned by the Welsh Government and recommended that an alternative solution be found.
- 3.2** To support the strategic development of this specialist market, NPS and the Welsh Government's People and Environment Division (PED) have worked collaboratively to establish a Framework for a brand new solution for resource efficiency. The Framework has further been developed in line with the Business Wales model providing resource efficiency support embedded in its offer. This Framework is aimed at the Welsh Government, Local Authorities and the wider Welsh Public Sector.
- 3.3** The key drivers of this collaborative approach are to:-
- 3.3.1** aggregate requirements and spend to exert maximum leverage on the market, with the aim of delivering cost savings and efficiencies to customers;
 - 3.3.2** reduce procurement process costs for customers by providing a quick and efficient route to market that is in line with EU regulations and;
 - 3.3.3** provide a robust service offering to all customers.
- 3.4** This Framework provides customers with a route to market for their resource efficiency requirements which means customers do not need to compete their requirements via OJEU or pre-qualify suppliers in order to procure their services.
- 3.5** To further support users of this Framework the Welsh Government has put in place a service delivery model (Figure 1), which acts as a front line service desk providing information and guidance on resource efficiency e.g. information on pathways and options to becoming more resource efficient, diagnostics and referrals.

Figure 1 - Service delivery Model



3.6 A greater detailed overview of the scope of this Framework agreement can be found in section 9 of this guidance document.

3.7 If required, the front line service can be accessed on 0300

4 Benefits of using the Framework

4.1 The benefits of using the Framework to procure your resource efficiency requirements include:

- **Reduced timescales** – Customers do not need to run an OJEU procurement if procuring via this Framework agreement, as this has already been undertaken by NPS and the Welsh Government. Customers simply need to identify their requirements, approach the relevant supplier and award contract, or compete the requirement through a mini competition.
- **Ease of use** – The Framework is simple to use, with expert procurement advice available from NPS.

- **Legality** – The Framework is fully legal and in line with EU regulations, as EU procurement rules introduced in 2006 specifically recognise Framework agreements as a legitimate route to market. This reduces procurement bureaucracy in the procurement process.
- **Assured supplier standards** – Providers appointed on to this Framework are “pre – qualified” as to their general suitability. Therefore customers procuring through this Framework can be assured that they can meet the appropriate standards in the provision of resource efficiency.
- **Aggregation of spend** – Customers will receive the benefits of aggregated volume of spend and the associated increased leverage on the market. Customers can also work together to group their requirements and submit these together as one further competition and compete via mini competition thus further driving VFM from expenditure. NPS will support this where appropriate.
- **Pre- defined terms and conditions** – Terms and conditions for this agreement have been established, and all Framework suppliers have signed and accepted this agreement and terms and conditions of call off.
- **Frontline Service Desk** – A frontline service provided by the Welsh Government, which guides users through the current complex provision landscape, thus avoiding costly errors arising from misinformation that is rapidly growing in the resource efficiency market and:-
 - The ability to access specialist advice through the Framework when required
 - Integration with other Welsh Government advisory services
 - Removal of duplication of effort across advisory services
 - A holistic approach to resource efficiency owned and managed by the Welsh Government.
- **Management Information-** to track buying patterns to identify opportunities for further savings and inform continuous service improvements
- **Cashable savings** - This Framework has secured competitive standard maximum rates for the first two years of the Framework agreement which may be reduced via further competition. Standard maximum rates are fixed for the first two years of the Framework offering security and potential for year on year savings; Utilising supplier capability, knowledge and innovation to drive savings. Details of Framework max rate card can only be accessed through the secure commercial website www.sell2wales.gsi.gov.uk **** The rate card is commercially sensitive and once accessed the contents must remain commercial in confidence and must not be shared with suppliers on or off the Framework. ****

- **Flexibility-** One-stop-shop approach to meet the needs of the Welsh Government and wider public sector for multi-disciplinary requirements and one off specialist requirements.
- **Sustainability** – In recognition of the ever increasing role and importance of sustainability, the Framework has a focus on suppliers' development of community benefits arising from energy developments in Wales.

5. Other NPS Frameworks

- 5.1 We have a number of other professional services frameworks.
- 5.2 Solicitors Framework
- 5.3 Welsh translation framework
- 5.4 Construction Consultancy (Property)
- 5.5 Cash Collection Services
- 5.6 Information on the frameworks above can be viewed within the NPS section on www.sell2wales.gov.uk

6 Framework duration

- 6.1 The Framework agreement will cover the period 4th July 2014 to 3rd July 2018. The Framework agreement will be let for four years with the potential to break at the end of year 3 (termination is at the absolute discretion of the NPS).
- 6.2 The call off contract period will be agreed between the customer and the supplier. Call off contracts will expire two years after the Framework end to a maximum of 3rd July 2020.

7 Framework Value

- 7.1 The framework can encompass spend up to £40 million over its duration.
- 7.2 The NPS will monitor spend

8 Eligible customers

- 8.1 This Framework agreement is available to all organisations within the Welsh public sector

9 Framework scope

Lotting Structures;

9.1 Lot 1

Lot 1 covers Specialist Resource Efficiency Advice and Support. This consists of two types of support delivered to the target sectors:-

- One to one specialist or detailed advice surveys and support for implementation;
- One to many transformative support programmes, including support to groups or networks based on sector, theme or specific interest and opportunities.

Lot 1 covers all aspects of energy advice for example:-

- Surveys identifying resource efficiency opportunities savings
- Specific advice on technology types
- Wider support to help organisations and individuals get to installation stage: land management and planning issues, engagement support
- Support to the resource efficiency supply chain
- Developing and supporting networks
- Engaging sectors, supply chains or regions with resource efficiency issues
- Developing people's capacity to understand resource efficiency, and deliver resource efficiency projects

Lot 1 incorporates the following categories and related specialisms:-

9.1.1 Energy Efficiency Advice:

- General surveys and recommendation reports
- Implementation support
- Insulation
- Heating
- Lighting
- Appliances
- Savings from behavioural measures
- Metering
- Advice on compliance with EU Legislation

9.1.2 Microgeneration:

- Feed in tariff technologies

OFFICIAL – SENSITIVE

Version 0.1

- Solar PV
- Hydro
- Wind
- Micro CHP
- Anaerobic Digestion

9.1.3 Renewable Heat Technologies

- Biomass boilers (including Combined Heat & Power [CHP] biomass boilers)
- Solar Thermal
- Ground Source Heat Pumps
- Air Source Heat Pumps
- On-site Biogas Combustion
- Deep Geothermal
- Energy from Municipal Solid Waste
- Injection of biogas into the grid

9.1.4 Conventional Heat/Cooling Technologies

- District Heating
- CHP
- Heating, Ventilation & Air Conditioning (HVAC)
- Refrigeration
- Radiant and warm air heating

9.1.5 Waste

- Prevention, reuse, high quality recycling / separate collection
- Reduction in use of hazardous materials and in hazardous waste at end of life
- Product Eco design to reduce material use and wastage
- Business Resource efficiency competency assessment and improvement

9.1.6 Water

- Advice on the benefits of future water efficiency across a range of stakeholder groups

9.1.7 Other Advice Areas

- Planning and Land Management
- Advice and support to communities to develop capacity in order to define and deliver opportunities to improve the use of resources within the area.
- Advice and support to communities in understanding the benefits arising from energy developments in Wales, and developing appropriate ways of assessing these benefits, for example by developing projects, or working with developers through shared ownership or other models.

9.1.8 One to Many

Provision of one to many resource efficiency support for each of the stakeholder audiences including activity relating to supply chain development, good practice network development, training and communicating key messages

Stakeholder Audiences					
Domestic	Communities & Community Groups	Third Sector Organisations & Social Enterprises	SME & Micro Businesses	Mid & Large Scale Businesses	Welsh Public Sector

9.2 Lot 2

Lot 2 covers Research and evaluation services relating to resource efficiency. This covers the following six broad categories, three categories of research and three categories evaluation:-

9.2.1 Research

- Undertaking research on environmental, social and economic benefits of new policy and new delivery options for resource efficiency.
- Developing and testing approaches for resource efficiency interventions
- Conducting research in order to understand public or sectorial values, attitudes and beliefs and develop key messages for specific audiences

9.2.2 Evaluation

- Undertaking evaluation of specific resource efficiency or renewable generation initiatives, programmes and projects, both procured through this Framework and by other means
- Evaluating the delivered environmental, social and economic impact of current resource efficiency programmes
- Identifying the likely longer term impact of resource efficiency interventions

Please refer to the statement of requirements / ITT for each lot for further information

10 Framework Pricing

10.1 You'll find full rate cards at annex 1 and annex 2

11 How to use the Framework –

Award Options

Customers can procure services for Lots 1 & 2 from the Framework either by a direct award process or as a result of a mini-competition.

11.1 Direct Award (Call off Contract) Process

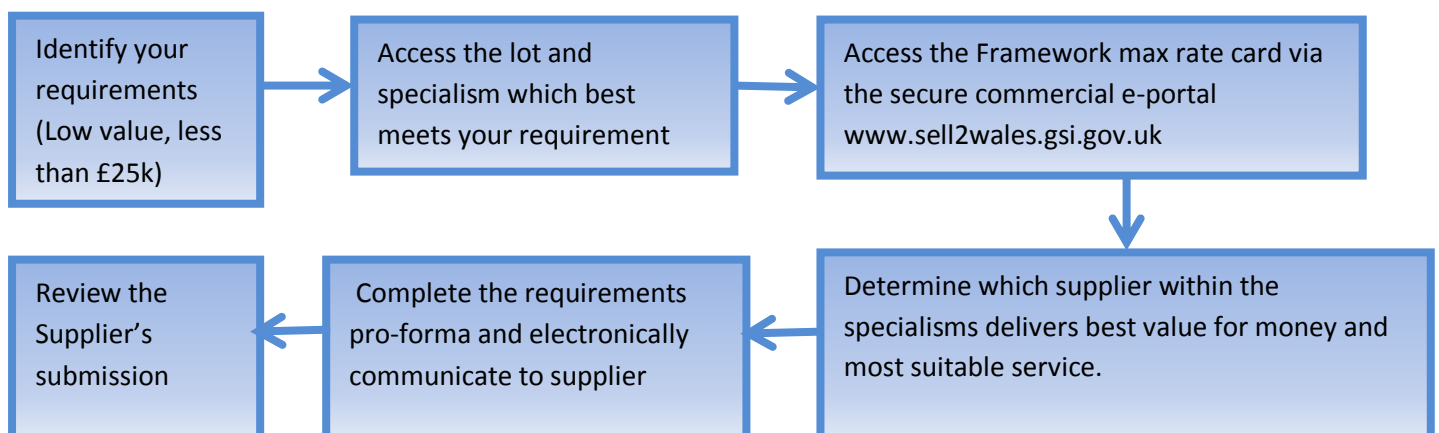
11.1.1 The direct award process is only permissible where the total value of the service being procured is less than £25,000.

11.1.2 Advantages of Direct award:-

- a) Contracts may be entered into more quickly than when further competitions are conducted.
- b) No need to re engage with the market or evaluate suppliers again.

11.1.3 The flow chart below (Figure 2) depicts a brief overview of the steps required to direct award:

Figure 2 – Direct Award Procedure



If content with Supplier's proposal electronically issue Purchase Order to Supplier

Process

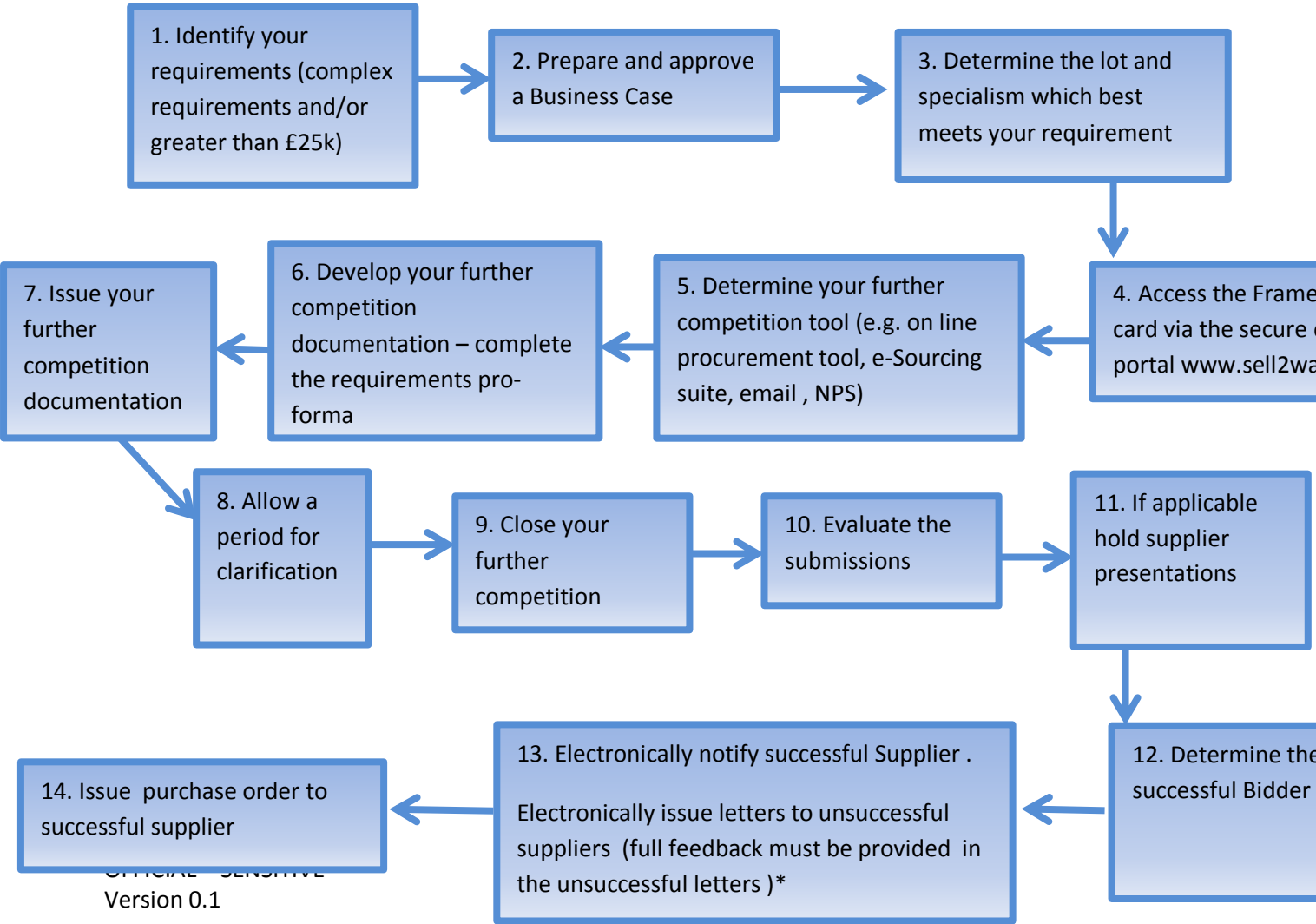
may be used for complex requirement and/or if the value exceeds £25,000

11.2.1 Advantages of mini-competition:-

- a) The customer can add to the core specification if they have varying requirements.
- b) Requirements with a value equal to or greater than £25k must be subjected to mini / further competition, as this provides the opportunity to further drive Value for Money (VfM).

11.2.2 The flow chart below (Figure 3) depicts a brief overview of the steps required for mini-competition:

Figure 3 – Mini-Competition Procedure



* It is not a mandatory requirement for organisations to undertake a standstill period at mini-competition stage. However, individual organisations may wish to include this on a voluntary basis depending on the risk profile of the competition.

11.3 Checklist

11.3.1 Understanding the Service Requirements

Before beginning any further competition you need to have a clear understanding of the services that you wish to procure, including how to maximise saving efficiencies through the use of the most appropriate lot and specialism.

You should first draft a business case for the activity following your organisations internal procedures. A sample business case is provided at Annex 3.

11.3.2 Defining the Service Requirements

- The first step is to define the service requirement. The requirements pro-forma document is available at Appendix 1.
- Consider the type of service requirement in the first instance;
- **Lot 1 Specialist Resource Efficiency Advice and Support.** One to one specialist or detailed advice surveys and support for implementation; and / or one to many transformative support programmes, including support to groups or networks based on sector, theme or specific interest and opportunities, or
- **Lot 2 Research and evaluation services relating to resource efficiency**

11.3.3 Choose the relevant subject matter: E.g. Lot 1 Energy Efficiency Metering, or Micro generation Solar PV. Lot 2 Research – developing and testing approaches for resource efficiency interventions of Evaluation – Identifying the likely impact of resource efficiency interventions.

11.3.4 If you have more than one service requirement or your service requirement crosses over multiple specialisms , you may wish to combine the service requirements, and invite all suppliers across those specialisms to bid.

11.3.5 When inviting bids across specialisms, it is permissible for organisations within the lot to collaborate to deliver across specialisms in the form of a consortia.

11.3.6 Once you have selected the most appropriate lot / lots you may approach those suppliers within that lot to conduct a further competition. An example of a requirements pro-forma can be found at Appendix 1.

12 Consultancy Grades

12.1 All prices are supported by a maximum rate for each of the following five grades of consultant:

Level 1	CEO, Managing Director, Framework Director, Principal, Head of organisation
Level 2	Principal Researcher, Principal Consultant, Principal Advisor, Principal Trainer, Project Director, Principal Technical Expert, Framework Manager
Level 3	Senior Researcher, Senior Consultant, Senior Advisor, Senior Trainer, Senior Project – Programme Manager, Senior Technical Expert
Level 4	Researcher, Consultant, Advisor, Trainer, Technical Expert, Project Officer
Level 5	Support staff, Admin staff, Junior Consultant, Junior Project Manager, Finance Support

12.2 These rates are fixed for the first two years of the Framework and will not be increased. Rates can be reduced by suppliers during mini-competitions but cannot be exceeded.

12.3 The rates are expressed as maximum rate £ per day and include Travel and Subsistence costs, but exclude VAT. Daily rates are based on a 7.5 hour day. To calculate Hourly rates pro-rate the daily rate by 7.5 hours.

12.4 You may elect to invite further competitions to be conducted using pricing structures/charging methodologies other than daily rates for the number of consultancy days employed. Charges may be levied, for example, on a fixed price, output basis; milestone payments; time and materials; blended/bundled/team rates – capped or uncapped; bonus payment; reducing price; gain/pain share; other performance - related payment mechanism; other payment mechanism based on risk-sharing, etc.

12.5 In all these instances the supplier must be able to relate pricing back to the standard Framework rates to enable the customer to measure savings.

12.6 Customers are reminded that the rate card is commercially sensitive

13 Evaluating Mini Competitions

- 13.1** When developing evaluation criteria, be sure that sufficient detail exists to map against specific content, which suppliers are expected to include within their response. Each criterion should clearly be capable of being linked back to the high level evaluation criteria which was used to award the Framework agreement (see 14.2)
- 13.2 Evaluate Proposals**
Following receipt of supplier responses to the mini-competition, you will need to select the response that offers either the lowest price or the “most economically advantageous tender” in terms of price and quality. Standard evaluation procedures should always be followed. In preparation for the evaluation you should always document the process intended to be followed (i.e. who will undertake the evaluation and the qualifications and experience that makes them appropriate, when this will be carried out, what reporting and escalation lines are in place and how the ultimate decision to award a call off contract will be made). This will ensure there is a robust audit trail, helping to secure fairness and transparency in the process.
- 13.3 Award**
Following conclusion of the evaluation you will be in a position to make award of a call-off contract to the successful bidder(s). Following approval an award letter should be issued to the successful supplier/s. Letters to the unsuccessful suppliers must also be issued. Feedback must be provided in the unsuccessful letters.
- 13.4** To assist organisations the following draft documents have been produced:
13.4.1 Mini Competition Template (Annex 4)
13.4.2 Commercial Proposal Form (Annex 5)
13.4.3 Evaluation Spreadsheet (Annex 6)
- 13.6** Following the award of any call-off contract please notify the National Procurement Service (Professional Services Team) with the estimated contract value and details of the start and end date by emailing NPSPProfessionalServices@Wales.gsi.gov.uk
- 13.7 Post Award**
Any disputes between you and the supplier should in the first instance be resolved between the two parties, however if no agreement can be reached then National Procurement Service can act as an escalation point to assist in the resolution of any dispute.

14 Mini-competition Award Criteria

- 14.1** When running a mini-competition, customers should award either on the basis of lowest price or the most economically advantageous tender (MEAT) and must provide suppliers with the methodology behind the evaluation, including the evaluation criteria and the weightings that are applied to each criterion.
- 14.2** At return of tenders from either process, the following assessment criteria will be used:
- a) Understanding of the specification
 - b) Delivery method
 - c) Team and staff expertise
 - d) Community benefits
 - e) Commitment to sustainable development
 - f) Costs

Clients shall be entitled to adjust the Mini-Competition Award Criteria weightings and/or to introduce sub-criteria which derive from the Mini-Competition Award Criteria provided that these are notified to the providers at the time the providers are invited to submit their proposals.

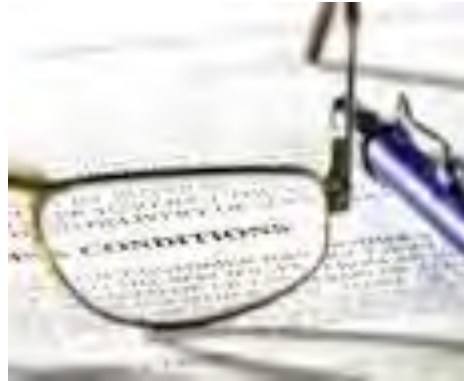
- 14.3** When appropriate, Sustainability and Community Benefits criteria should be considered and demonstrated for each call-off contract.

15 Finalising the call off

- 15.1** If you are direct awarding to a supplier, simply electronically issue the award letter and raise and issue a Purchase Order (less than £25k) via your organisation's electronic purchasing system.
- 15.2** If you are following the mini-competition route the electronic issuance of award letters for successful suppliers and letters to unsuccessful suppliers is required. These letters should provide details of the scores awarded for each weighted criteria compared to the successful potential provider and a rationale for each score. The rationale should be objective, and care needs to be taken to ensure that the scores and rationale is in line with the original tender documentation.
- 15.3** A Purchase Order should then be raised and electronically communicated to the successful supplier via your organisations electronic purchasing system.

16 Terms and conditions

- 16.1** All suppliers have signed a Framework agreement with NPS which includes the customer call off contract. Therefore the contract / Purchase Order will be issued under the already agreed terms and conditions of this Framework.



17 Key Performance indicators (KPI's)

- 17.1** There are a number of KPI's that have been set for the providers on this Framework agreement. These cover:-

- a) Spend
- b) Savings
- c) Customer satisfaction
- d) Operational performance
- e) Timely provision of Management Information
- f) Timely payment of invoices

- 17.2** Customers are able to set any KPI's they feel are necessary at call off. These must be made clear and agreed with the suppliers on each lot.

18 Management Information

- 18.1** Suppliers on this Framework provide monthly Management Information (MI) to NPS, which calculate the levels of spend running through the Framework agreement, and calculate the customer savings.



19 Contract Management

- 19.1** To successfully deliver the Framework agreement there will be proactive contract management activities. This will be informed by quality management information shared between the suppliers and the National Procurement Service. A strategic supplier relationship will be developed immediately following award and maintained throughout the Framework agreement.
- 19.2** Regular performance reviews between the supplier and the National Procurement Service will take place throughout the Framework agreement in the form of 6 monthly review meetings.
- 19.3** Management and operational reviews will also take place in addition to the NPS strategic reviews
- 19.4** The reviews will cover the following:-
- a) Strategic Reviews (Held 6 monthly with top 10 Framework suppliers by spend), and focus on:-
 - Overall Framework agreement performance;
 - Efficiency opportunities

- Savings
 - Market conditions
 - Policy update
 - Security & risk management
 - Community Benefits
- b) Management and Operational Review meetings (Held every quarter, suppliers, NPS, Welsh Government, and customer representatives), and will focus on:-
- Framework agreement performance and customers;
 - Compliance against KPI's
 - Incident and problem management
 - Forward planning and future efficiencies
 - Savings
 - Sustainability
 - Customer feedback – Appendix 2

20 Feedback and contact details

20.1 If you have any queries, or wish to discuss your requirement or the Framework in further detail, please use the details below:-

E: NPSProfessionalServices@wales.gsi.gov.uk

T: 0300 790 0170

20.2 If you would like to provide feedback relating to this Framework, please get in touch by emailing the above. Your feedback will be logged and discussed at the supplier performance meetings and we will inform you of any changes that have been made in relation to your feedback.

21 Supporting Documentation

The following Annexes are available from sell2wales.gov.uk

Annex 1 – Rate Card (Lot 1)

Annex 2 – Rate Card (Lot 2)

Annex 3 – Business Case Template

Annex 4 – Requirement Pro-forma

Annex 5 – Mini-Competition Bidder Response Template

Annex 6 – Commercial Response Form

Annex 7 – Evaluation Spreadsheet

Annex 8 – Lot 1 Funnelling Tool and Guidance

Annex 9 – Lot 2 Funnelling Tool and Guidance

Annex 10 – Supplier Contact Details