

Local Supply Chain Demonstration Projects – Q&A:

Following the publication of the local supply chain invitation to tender on the 30th July 2018. Prospective organisations were given until the 17th August 2018 to ask BEIS any further questions they had in regard to the tender. Below are answers to the questions asked by prospective organisations.

Please note, questions have been paraphrased/ grouped together where we felt that more than one organisation was asking the same questions and for anonymity. The categories (i.e. budget) reflect the format of the invitation to tender for ease of reference.

Budget/ Funding

Q1. Do the indicative budgets set out for the project (£190k for year 1 and £367,500 for years 2 and 3) include VAT?

A1. No, the indicatives budgets do not include VAT

Q2. What is the VAT status of the award?

A2. This is a grant that is outside the scope of VAT.

Q3. Do daily rates cover full commercial charge out rates?

A3. Yes, this is correct.

Q4. Should a pricing schedule only be provided for year one (Nov 2018 – Mar 2019) or should 3 pricing schedules be provided (covering years 2 and 3)?

A4. A pricing schedule should be provided for year one (Nov 18- Mar 19) and an indicative pricing schedule should be provided for year 2 and 3. We anticipate that the pricing schedule for years 2 and 3 will look relatively the same and therefore will accept one pricing schedule for years 2 and 3, provided that you highlight where any differences might be.

Scope

Q5. Can ECO funding be leveraged to cover things such as underfloor heating, external wall insulation and marketing or can it be used for funding in part other elements of the proposed model?

A5. As stated in the invitation to tender, the focus of this program is on non-fuel-poor homeowners and landlords, who should be ineligible for ECO funding. Therefore, contractors should not use funding from this project primarily to leverage ECO funding. This includes projects where only a small amount of ECO funding is used to part finance improvements to particular homes. The reason for this is that it would significantly reduce the additionality of this program and would result in the wrong consumer group being targeted.

If a proposal is deemed to be primarily leveraging or reliant on ECO funding, it will score a low mark in the strength of delivery plan. However, we acknowledge that if you are targeting a certain geographic area, some people within that area will be

eligible/ able to access ECO funding. You will not be penalised if you anticipate that *some* homeowners will be able to access ECO funding as a result of your activities, however this should not be the primary focus of your delivery plan.

Similarly, you should not be aiming to leverage ECO innovation funding (which will have the same eligibility criteria as regular ECO funding, except that social housing with an EPC D will be eligible, and social housing is outside the scope of this project). However, we strongly encourage contractors to market innovative measures that are compliant with building regulations, such as thin internal wall insulation.

Q6. What happens if multiple contractors bid to deliver in the same area? If a contractor feels that they could deliver their project in more than one area, should they indicate this?

A6. It would be counterproductive to have multiple projects delivering in the same area. In the event that we have multiple successful bids covering in the same area, BEIS would enter into discussions with the successful contractors to see if a solution could be reached such a joint project or one provider delivering in a different way.

You should focus in your bid in the area you think you would be best suited to deliver in. However, if you believe you could also deliver in another area if required, you should indicate this in your bid.

Q7. Should we align our bid if we link up with the recommendations of the Each Home Counts Review and the Green Finance Taskforce and any funding that may come out as a result of those initiatives?

A7. It will strengthen your delivery plan to show an appreciation of the relevant policy landscape. As mentioned in the ITT, you may wish to make links to the Each Home Counts Quality Mark, but this is not a requirement.

It would be advisable to not make your project too dependent on other programs of work where the timelines and future funding commitments are unclear, as this may expose you to too many interdependencies.

Structure of Tenders

Q8. Where should the CV be included in the TENDER?

A8. CV's should be included as part of the annex (outside of the 25-page limit).

Q9. Are appendices allowed as part of the response? If yes, is there a page limit and will they be scored?

A9. Annexes/ appendices do not have a page limit and will be marked according to the evaluation criteria and scoring methodology set out in the invitation to tender, where they directly relate to the requirements/ specification. Please note that the 25-page limit is set in a way that allows you to provide enough information for your proposals but is also manageable for BEIS officials when analysing responses. Therefore, you should not heavily rely on annexes/ appendices and should also look to limit these.

Please note, all organisations applying are required to fill out the pricing schedules (annex A).

Q10. What if we are coming late to tender process, can we still submit a bid?

A10. We encourage you to submit a bid if you believe you can meet the evaluation criteria set out in the ITT. If you are starting the process late, we would encourage you in particular to secure firm agreements with partners you will be working with and provide evidence of this where possible.

Outputs required

Q11. Will only deep retrofit measure leads be counted or will BEIS also count other leads such as LED lighting upgrades etc.? And will storage and solar be eligible?

A11. All energy efficiency measures will be valuable to the demonstration project and you will not be excluded if you are not doing deep retrofit. However, it is important to note that as per the evaluation criteria and scoring methodology, there is an emphasis on achieving deeper retrofit in homes that goes beyond simple low-cost measures and therefore this will affect the number of marks received for “strategic fit with building a market for energy efficiency”.

We encourage contractors to think about measures or packages of measures that will be appealing to customers. As set out in the tender, in the round these measures should help improve energy efficiency and support the government’s aspiration to getting as many homes as possible to EPC Band C.

Q12. Would it be acceptable if much of our initial six months is spent on strengthening partnerships, refining our business model etc.?

A12. We refer you to the evaluation criteria. Your bids will be strengthened if you can already demonstrate progress towards agreeing all partnerships and refining the delivery model by the time you submit your bid. We also recognise, however, that bidders will be coming forward with different business models and approach and that some may have a longer lead in time for setting up and refining the model. This would not prevent them from being successful in the bidding process.

Conflicts of interest

Q13. Is there/ when is the deadline to declare conflicts of interest?

A13. Organisations should refer to invitation to tender’s conflict of interest (page 7) and the standard terms and conditions conflict of interest section (page 17) to gain a better understanding of the procedures surrounding conflicts of interest.

To briefly summarise, the latest possible stage that you should alert BEIS officials of a conflict of interest/ potential conflict interest is through the submission of your proposal – there is a declaration (page 32) for you to indicate whether or not any conflict of interest may be, or be perceived, to be an issue.

Additionally, during the bidding process, you may contact BEIS to discuss whether or not your proposals are likely to yield a conflict of interest. Please note, BEIS will have to publish the any responses given (not revealing organisations' identity).

Ownership and Publication

Q14. When the ITT talks of data that should be provided to BEIS, does this mean data that will be used for research purposes, and not data relating to ongoing business activities of the contractor?

A14. Yes, as set out in the ITT, BEIS will require contractors to provide certain data to support with the evaluation of the projects and inform future policy design. Data relating to your ongoing business activities will remain your property and will not be required by BEIS.

Q15. Can/ will the outputs and data developed from the demonstration projects be used to develop further services?

A15. Yes, contractors can use the outputs to develop further services, indeed we encourage contractors to consider how they can use the project as a way to develop sustainable business models. From a BEIS perspective the data collected as part of the project will be used for evaluation purposes and to inform future policy design.

Other

Q16. Has the summary of responses to the Building a Market for Energy Efficiency Call for Evidence been published?

A16. No, the summary of responses has not been published. Following an evaluation of responses, it will be published in autumn 2018

Q17. Is there a TENDER response template? If so, can it be shared?

A17. The only set template for the TENDER response is Annex A/ the pricing schedule. There is no set template for the rest of the document but an outline of how to set this out has been detailed in structure of tenders (page 26) of the invitation to tender – please refer to this.

Q18. Market research is likely to be a substantial part of the budget of all the pilots, particularly in year 1. As there is likely to be significant overlap, is there an opportunity for organisations to collaborate by sharing market costs across different pilot areas? If so,

- a) Can BEIS play a central role in co-ordinating this in such a way that no competitive advantage is lost?
- b) How would BEIS envisage this being expressed within the tender?

A18. We would encourage organisations to work together where they can, particularly if it will provide them with significant savings. As highlighted in the invitation to tender, outputs required (page 14-15), we will encourage collaboration by bringing organisations together for quarterly meetings to discuss best practice and review the lessons they have learnt throughout the demonstration programme.

Organisations can use these meetings as an opportunity to foster further collaboration (sharing marketing costs) but BEIS does not intend to play any additional role beyond organising these meetings.

When writing the tender, please note that BEIS will treat each bid individually and as specified in the invitation to tender, if your intention is to work with another organisation, they should be named on your tender. Organisations are permitted to be named on more than one bid.