Harborough District Council

Report to the Cabinet
Meeting of 12th February 2024
(Appendix A Exempt)

Title:	**Supply and Installation of a Solar PV System for Harborough Innovation Centre** **(Appendix A Exempt)**
Status:	Report: Public Appendix A: Exempt from publication by virtue of paragraph 3 of Part 1 of Schedule 12a of the Local Government Act 1972.
Key Decision:	Yes
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Portfolio Holder:	Portfolio – Economic Development, Councillor Phil Knowles
Appendices:	Appendix A (EXEMPT) – Tender Summary

Summary

Harborough Innovation Centre is a business centre with up to 52 individual office spaces, shared workspaces, virtual services, meeting rooms, onsite café, and reception services. Established in 2011 and funded by Harborough District Council, European Regional Development Fund and East Midlands Development Agency, Harborough Innovation Centre has supported more than 250 business since opening.

The building has strong eco credentials which is a motivating factor for current and potential tenants as businesses and employees are increasingly focused on climate-friendly initiatives.

This project is to supply and install a solar array on 3 aspects of Harborough Innovation Centre roof (see picture below), to generate electricity from renewable sources, further improving the green credentials of the building and Harborough District Council as a whole.

Recommendations

It is recommended that Cabinet:

1. Approve the award of a contract for the supply and installation of solar panels at Harborough Innovation Centre to contractor 1 as detailed in Appendix A
2. Delegates to the Director of Resources (& s.151), in consultation with the Portfolio Holder, Economic Development and the Head of Legal Services, authority to negotiate and finalise the contract, including minor variations.

Reasons for Recommendations

i. To ensure that the Council appoints a suitable contractor to undertake the supply and install works as described.

ii. The evaluation panel agreed that Contractor 1 should be offered preferred provider status based on the tenders submitted.

iii. Awarding a contract based on the tender submitted by Contractor 1 offers the best option and value for money for this project.

1. Purpose of Report

1.1 To seek approval for the award of a contract that will secure the preferred contractor for the provision of the supply and installation of solar panels at Harborough Innovation Centre.

2. Background

2.1 Harborough Innovation Centre is a business centre with up to 52 individual office spaces, shared workspaces, virtual services, meeting rooms, onsite café and reception services. Established in 2011 and funded by Harborough District Council, European Regional Development Fund and East Midlands Development Agency, Harborough Innovation Centre has supported more than 250 business since opening. The main point of difference of the centre is the targeted and tailored business support start-up businesses and SMEs receive. This includes strategic coaching and mentoring as well as advice on grants and funding. Designed to give a flexible workspace solution without long-term

financial ties, Harborough Innovation Centre continues to be the perfect location for local growing businesses in the district.

2.2 Part of the appeal of Harborough Innovation Centre to tenants is the green credentials of the building:

- LED lighting throughout the building reducing energy usage and maintenance costs.
- Activity sensors in most rooms in the building allowing lighting to automatically switch off when not needed.
- Biomass heating.
- Rainwater harvesting used primarily for toilets in the building.
- 11 Electric Vehicle charging stations allowing electric cars to charge up to a speed of 22kwh.

2.3 The next initiative to further improve the green credentials of the building is to install solar panels on the roof of Harborough Innovation Centre which will generate the majority of the electric power needed to run the building, some of the Electric Vehicle chargers and potentially supply excess energy generated to the grid.

2.4 This project is to supply and install a solar array on 3 aspects of Harborough Innovation Centre roof to generate electricity and further improve the green credentials of the building and Harborough District Council as a whole.

3. Details

3.1 Following a full review of the energy usage requirements of Harborough Innovation Centre and to maximise the potential of a solar solution, Harborough District Council has put out a tender to appoint a supplier partner to install a roof-mounted solar PV system.

3.2 An application for District Network Operator approval has been received from the National Grid based on the following specifications:

- 1 x solis 80k 5G Inverter, restricted to 75kW using a G100 device.
- Nominal Voltage at Connection Point: 400 Volts
- Number of Phases: 3
- Nominal Frequency: 50Hz
- Maximum Export Capacity: 75kW
- Maximum Import Capacity: 150kVA
- External Earth Loop Impedance: 0.35
- A remote monitoring system to allow the performance of the panels to be measured at all times.

3.3 A full structural engineers report was conducted prior to tender confirming the roof structure of Harborough Innovation Centre is suitable for the planned installation.

3.4 Confirmation has also been gained from the local planning authority that planning permission is not required at Harborough Innovation Centre for this installation.

3.5 The scope of works will include 222 x 420w solar panels which are expected to generate 83,500kwh per year of electricity. This will, in turn, reduce Harborough Innovation Centre emissions by 16 Tonnes of CO2 per year. The installation will include a remote monitoring system accessible via computer or smartphone.

3.6 Due to the nature of solar panels needing minimal maintenance, the following warranties will be provided as a minimum under this procurement:

- 25 years for solar PV panels
- 5 years for workmanship
- 5 years for inverters
- 10 years for fixings
- 5 years for monitoring equipment

3.7	Current annual electricity usage at the HIC is:	161,000kwh.
	Estimated annual energy output – solar:	83,500kwh.
	Total value of solar energy generated (20 years)	£615,000
	Return on Investment – project cost recovery estimate	**3.5 years**

3.8 Authorisation of the award by Cabinet is necessary because the value of the contract exceeds £50,000 (Harborough District Council's Statement of Requirement Practice for Procurement, rule 28.2).

3.9 The tender documents include all statutory compliance requirements are met, thus that the Council can demonstrate effective health and safety management by the successful contractor.

3.10 The procurement method used for the contract was an open procedure, compliant with the Public Contracts Regulations 2015. This means it is a single stage process with no short-listing. As such, the completed response document comprises the entirety of a bidder's tender submission. The tender was conducted using the Pro Contracts e-tendering system and followed the process set out in the tender documentation, being managed by Welland Procurement.

3.11 Weighting of the tender evaluation was:

a) Price: 60%
b) Quality: 40%.

3.12 Tenders were evaluated by a panel of four. Of the 16 bids received, there were 11 considered compliant and agreed acceptable by the Evaluation Panel, and there was a unanimous consensus within the Panel.

a) A summary of the successful tender submission is included as Appendix A.
b) The Evaluation Panel agreed that Contractor 1 should be awarded the contract for the project. Award of the contract is subject to Cabinet approval, due diligence, and agreement of the final contract.
c) The contract will commence on an agreed date to supply and install the solar project in its entirety subject to availability of materials and labour. It is expected the installation will be completed late Spring 2024.
d) The contract will include a number of key performance indicators including.
    i. Meeting with the Business Centres Manager on a weekly basis to give updates on the progress of the installation;

ii. Responding to Customer enquiries in a timely manner;
iii. Being responsible for the safe provision, erection, and dismantling of scaffolding,
iv. Being responsible for the disposal of waste and any associated costs;
v. Commissioning and testing the completed system;
vi. Providing monitoring, maintenance, and training options to the Customer;
vii. Providing operation and maintenance manuals and/or user guides for the system installed;
viii. Maintaining a 12-month defect period post-commissioning to address any post-installation issues.

4. Corporate Priorities

4.1 The recommendations will enable the Council to secure value for money and financial sustainability, whilst acknowledging the importance of creating a sustainable environment and carbon reduction and allowing action to support these goals.

Consultation

4.2 Throughout the tender process, members of the following teams have been consulted; Finance, Assets, Procurement, Planning, Legal.

Financial

4.3 The recommendation offers the best means of achieving value for money and financial sustainability.

4.5 It should be noted that this project is expected to save the Council over £500,000 over the next 20 years (based on current energy pricing).

Legal

4.7 Award of the contract is subject to Cabinet approval; the option of deciding not to proceed is available.
4.8 The Council can either award a contract to Contractor 1 or award to no provider and seek an alternate approach.
4.9 The proposed form of contract is the JCT Minor Works Building Contract with contractors design 2016 Edition.
4.10 Procurement of Harborough Innovation Centre Solar Contract through open procedure is compliant with the Public Contracts Regulations 2015.

Environmental Implications

4.11 Implementation of the recommendations will support the Council's commitment to become a net zero carbon Council by 2030 as far as is possible within financial constraints.

Risk Management

4.12 None

Equalities Impact

4.13 None

Data Protection

4.14 None

5 Alternative Options Considered

5.1 Given the nature of the project, a Single Contract is the most suitable and cost-effective to deliver a successful outcome, with minimal impact to Harborough District Council resources as supply and installation will be managed in full by the successful contractor.

6 Background papers

6.1 None