

	<h2 style="text-align: center;">ACTION TAKEN UNDER DELEGATED POWERS BY OFFICER</h2>
Title	Authorisation to award Larkfleet Limited the contract to implement the REFIT project in Barnet Council (Contract Ref. 701853)
Report of	Deputy Chief Executive
Wards	All
Status	Public
Enclosures	None
Officer Contact Details	Iliana Koutsou Client Lead – Capital Works iliana.koutsou@barnet.gov.uk 0208 359 5494 Dylan Donaldson Graduate Estates Officer dylan.donaldson@barnet.gov.uk

Summary

This report authorises the London Borough of Barnet to enter into a contract with Larkfleet Limited to participate in the Mayor of London's REFIT programme to retrofit energy saving measures to Council assets to save energy and running costs in Barnet.

Decisions

- To appoint Larkfleet Limited to retrofit energy saving measures to Council assets.**

1. WHY THIS REPORT IS NEEDED

- 1.1 This report provides authorisation for Barnet Council to enter into a contract with Larkfleet Limited and subsequently apply for a 0% Salix loan to fund the energy saving measures. Larkfleet Limited will carry out an analysis of energy saving measures and present a costed plan. Once the loan is secured, the energy saving works will be implemented across Council assets.

2. REASONS FOR RECOMMENDATIONS

- 2.1 Fourteen providers listed under the National Framework Agreement for Energy Performance Contracting dated 20/04/2016 (the "RE:FIT framework") were invited to bid, and two chose to participate. These were Larkfleet Limited one other bidder. Following a competitive tendering process via Barnet Procurement, Larkfleet Limited, the winning contractor for the REFIT project to install energy saving measures across Barnet Council assets was selected.
- 2.2 Submitted bids were evaluated and moderated using a scoring process based on guidance from the GLA to select the winning contractor. This looked at the bidder's project management, analysis and design, strategic goals and wider benefits, pricing approach, as well as overall price.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 The Council could do nothing, but this is not recommended as energy and cost savings will not be realised.
- 3.2 The Council could carry out its own procurement exercise to procure energy saving measures from the market. This is not recommended as it would be a time consuming process and costlier than using the GLA programme office. The GLA provide a fast-track OJEU compliant framework with 14 contractors to choose from.

4 POST DECISION IMPLEMENTATION

- 4.1 The Council will work with the GLA and Larkfleet Limited to complete the Salix 0% loan application; thus, this has not been forecasted in the 2018-19 costs. A further Chief Officer Decision report will be written once the value of the works is known. This will also state whether the loan application has been successful.
- 4.2 Once the 0% Salix loan is secured, the works will be implemented. The contractor will identify appropriate energy saving measures for Council assets. The contractor is contractually obliged to monitor the energy savings and report to the Council and GLA. This means that a measurable improvement in energy performance per annum is guaranteed.

5 IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.5.1 This project is in line with the Council's vision to deliver responsible and sustainable investment, and deliver energy cost savings across Council assets.

5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

- 5.2.1 At this stage the loan amount is not defined. This is because the amount of loan required will depend on the works identified by the successful contractor. Once the contractor is secured through the procurement process, the amount of loan will be able to be articulated. The loan could be between £300,000-£1M+
- 5.2.2 At this stage, the procurement value is not defined. This is because value of the works across the Council's assets will be defined by Larkfleet Limited (this contractor is OJEU compliant).
- 5.2.3 Staffing resource will be minimal due to support from the GLA programme office.
- 5.2.4 Assets owned by Barnet Council will be considered for energy saving measures.
- 5.2.5 This project will contribute towards the Council's financial sustainability, reducing the amount spent per annum on running costs (electricity, heating) which will be used to repay the loan over 5 years. The project also contributes towards environmental sustainability, as energy use will be reduced.
- 5.2.6 The final price of the contract will be calculated once Larkfleet Limited have undertaken analysis of each site that is to benefit from the introduction of energy saving measures. We are confident in Larkfleet's pricing strategy based upon their track record and the methodology proposed in their submitted bid. This contractor has previously been successful in identifying measures which are Salix- compliant.

5.3 Legal and Constitutional References

- 5.3.1 Policy and Resources Committee have previously approved Barnet Council's participation in REFIT on 11 June 2018. This stated that Barnet Council would utilise the GLA's OJEU compliant procurement framework to secure a contractor.
- 5.3.2 Legal advice should be sought on the terms and conditions of the Loan Agreement before the Council executes it. The Council must be aware and clear on the obligations it is agreeing to take on under the Loan Agreement and have plans in place to ensure that it can adhere to these.
- 5.3.3 Legal services should be instructed to review, advice and complete the Loan Agreement.
- 5.3.4 This decision is in line with the Council's Contract Procurement.

5.4 Risk Management

- 5.4.1 Although it is unlikely, there is a risk that the Council would not be successful in their loan application. This is being actively managed, as the Council has been in communication with Salix for 8 months, and is confident that the loan will be approved. Other councils have successfully been through this process and have been granted the loan. If the loan was to be unsuccessful the Council will not proceed with the project. The contractor will be instructed to identify measures which comply with Salix conditions.

5.5 Equalities and Diversity

- 5.5.1 A neutral impact on equalities and diversity is anticipated from retrofitting assets in the borough so they are more energy efficient.

5.6 Corporate Parenting

5.6.1 N/A

5.7 Consultation and Engagement

5.7.1 None relevant to this administrative process at this stage that is to be carried out by Council staff. Once appropriate assets are identified, users of the assets (including the public, staff, community groups etc) will be notified of any building works associated with the retrofitting measures. Retrofitting works will take service delivery into account to minimise any disruption to services.

5.8 Insight

5.8.1 The GLA has reviewed the Council's assets in a desktop exercise to identify potential savings. This analysis will be used by the successful contractor to inform the selection of the asset and appropriate energy saving measure.

6 BACKGROUND PAPERS

6.1 Report to Policy and Resources (11 June 2018) titled 'Authorisation to participate in the Mayor of London's REFIT programme to retrofit energy saving measures to Council assets to save energy and running costs'
<https://barnet.moderngov.co.uk/documents/s46600/Authorisation%20to%20participate%20in%20the%20Mayor%20of%20Londons%20REFIT%20programme.pdf>

7. DECISION TAKER'S STATEMENT

7.1 *I have the required powers to make the decision documented in this report. I am responsible for the report's content and am satisfied that all relevant advice has been sought in the preparation of this report and that it is compliant with the decision-making framework of the organisation which includes Constitution, Scheme of Delegation, Budget and Policy Framework and Legal issues including Equalities obligations. The decision is compliant with the principles of decision making in Article 10 of the constitution.*

Chief Officer:

Signed: Deputy Chief Executive

Dated: 30 November 2018