



Stoke-on-Trent: **Decentralised Energy
Purchasing Organisation**

CUSTOMER USER GUIDE:
Purchasing Framework #2:
District Heat Supplies
(Pipes and Ancillary Equipment)

Introduction

StokeDEPO has been established to allow public bodies in the UK to procure the services, goods and works they need to develop, construct, manage and maintain all types of decentralised energy networks. This applies to all projects which generate and produce energy and/or heat which is off-grid. It can include district heating and cooling, energy from waste, geothermal projects, biomass and solar energy. And more besides.

This user guide informs customers how to contract with suppliers through Purchasing Framework #2; it focusses specifically on the provision of goods for heat networks.

Legal Status

The framework was established following a legally compliant procurement process. The opportunity was advertised in compliance with the Public Contract Regulations 2015; the OJEU Contract Notice reference is 2019/S 058-133408.

Duration

The framework agreement commenced on the 1st May 2019, and will end on 1st June 2023. Contracts under this framework must be awarded prior to the latter date (although supplies ordered under those contracts can be delivered beyond the framework end date).

Specification

Broadly speaking the following items can be ordered through this framework:

- Pre-insulated bonded pipe systems (as per BS EN 253);
- Pre-insulated accessories for buried heating/cooling networks including isolation valves, air vents and drain points (as per BS EN 448);
- Pre-insulated valves for buried heating/cooling networks (as per BS EN 488);
- Polythene joints and connections for buried heating/cooling networks (as per BS EN 489);
- District Heating Pipe, Pre-insulated bonded pipe including u-loops, Z-bends and 90o bends (as per BS EN 13941);
- Expansion foam;
- Leak Detection Systems (as per BS EN 14419).

There are three suppliers on the framework. The maximum value of the framework is £70,000,000.

Eligible Organisations/Users

The users of this framework are limited to:

- All local authorities in the United Kingdom (including companies wholly owned by those authorities where they are operating under a "Teckal"-status);
- All higher education institutions in the United Kingdom;
- All NHS health trusts in the United Kingdom;
- All Registered Social Landlords in the UK.

Using the framework

The first stage is for the user to identify a requirement which is eligible under this framework. The user needs to define a clear scope of services and commission brief against which suppliers on the framework can provide a fee proposal. The two means of appointment are:

- Further competition. This is the preferred route to appoint a supplier. In this situation ALL suppliers on the framework must be approached and invited to submit a fee proposal;
- Direct award. Where the user identifies a strong rationale for doing so, direct awards are permissible. Usually this will be on the basis of the lowest priced on the framework, but can also be made on the basis of (a) the extension of a contract with a previously-appointed supplier, or (b) it could be for other reasons (e.g. extreme urgency).

In terms of a further competition, users are encouraged to use e-Procurement platforms (where those platforms allow for a restricted procedure) to invite fee-proposals. In this situation, suppliers on the framework should be e-mailed to alert them to the opportunity, and a link to the platform provided.

Alternatively, for lower value and/or simpler requirements, an exchange of e-mails will suffice.

The time allowed for suppliers to respond must be proportionate to the value and complexity of the scope of the goods being purchased.

A further competition should be evaluated on the basis of a straightforward commercial proposal (i.e. price only); the suppliers' technical credentials will have been demonstrated at the framework stage.

A direct award will be made following the agreement of a fee proposal between a user and supplier, and the user's requirements and the supplier's price agreed.

Contractual Arrangements

When calling off from the framework, users should use the "Call-Off Contract Form", provided by Stoke-on-Trent City Council. Users are permitted to incorporate alternative clauses in the Contract Form provided that they do not materially alter the Framework Agreement nor contradict it.

Prices

It is the responsibility of the user to establish whether or not the suppliers' fee proposals exceed the daily rate tendered in establishing the framework (which is not permitted). However, please bear in mind the following:

- Suppliers are permitted an increase, in line with the Consumer Price Index, annually over and above the amount quoted within their tender response;
- Suppliers may have reserved the right to place regional variations on pricing; these variations will be made available to users.

Due Diligence

Users are required to undertake their own due diligence prior to entering into a contract with a supplier, particularly in terms of that supplier's financial standing. The latter was evaluated when the framework was established, but StokeDEPO nor Stoke-on-Trent City Council can be responsible for any changes in a supplier's trading status.

Reporting Requirements

When a user places an order with a supplier, the user is required to inform Stoke-on-Trent City Council within 30 days of that contract coming into effect (please see contact details below). The information submitted should include: the supplier; the Lot; the value of the contract; and a brief description of the nature of the works.

The user is also required to inform the City Council of the value of all invoices issues to the user by that supplier, again within 30 days of the invoice being received.

Fees

The fee for accessing the framework is 4% of invoice value. Please note that this will be levied on the supplier not the user. The 4% fee has been built into all suppliers' day rates at tender stage (and by definition the fee proposal) so there are no additional costs to be incurred by the user. The sum quoted by the supplier is what the user will pay (subject to compensation events and other variances etc).

Contact

For further information, please contact the StokeDEPO team on:

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