

DECISION NO: 17/077 For Member Services use only

Concurrence No: 066129

Action under delegated authority of Chief Executive	X
Action under delegated authority of Director of Finance and Cabinet Member for Finance	
Action taken by Chief Executive in consultation with Cabinet Member(s)	

Subject: Exception to Contract Standing Orders – ABBC PV Project

Signature and designation of officer(s) taking action:

\_\_\_\_\_ 5/5/17 \_\_\_\_\_ 05/05/17  
 Chief Executive Date Director of Finance Date

\_\_\_\_\_  
 Head of Financial Planning and Reporting Date

Name of Cabinet Member(s) Consulted:

I have been consulted and concur with the proposals set out below:

Councillor  
 \_\_\_\_\_  
 Cabinet Member for

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Councillor  
 \_\_\_\_\_  
 Cabinet Member for

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Name of any member who has declared a conflict of interest in relation to this decision:

**THIS DOCUMENT WILL BE PUBLISHED ON THE COUNCIL'S WEBSITE**

The report overleaf sets out the decision to be taken, the reasons for the decision, and the details of alternative options, if any, considered and rejected.

Officer decisions are available for public inspection, both at the Borough Offices and on the Council's website, for a period of six years after the decision is made. Background papers are available for four years.

**RECOMMENDED that:**

- a) **An exception to Contract Standing Orders is approved to appoint Climate Integrated Solutions (CIS) to conduct a feasibility review for photovoltaic panel (PV) installation at ABBC.**

**Purpose**

To request an exception to Contract Standing Orders to appoint Climate Integrated Solutions (CIS) to conduct feasibility review on the installation of PV panels at Ambition Broxbourne Business Centre (ABBC).

**The Project**

Installation of PV panels were considered as part of the ABBC construction project however the decision was made not to progress at that early stage due to concerns over the budget. With completion of ABBC there are monies available that could fund a post build installation subject to a feasibility study that demonstrates the delivery of a suitable financial return.

CIS have worked with officers on a number of energy related schemes conducting feasibility studies and supporting specification, procurement and project delivery. Recently they assisted officers with the PV business case review and installation at Brook House, a retro fit which will be a similar project to ABBC. Officers do not have the technical capacity to carry out this work and the support received from CIS in the past has been invaluable in delivering successful projects.

An initial business case carried out in September 2016 suggested a 17% yield could be delivered on the capital outlay, however this needs to be revisited in light of Feed in Tariff reductions and other variables.

If the business case delivers a good rate of return and installation is agreed officers would also recommend CIS are retained to assist with specification, procurement, and carry out post installation checks. CIS have provided a cost and breakdown for pre and post tender works as follows:

**Pre-tender - £2075 + VAT:**

- Initial review from plans
- Site survey
- PV system sizing and shading evaluation
- Performance modelling
- System valuation
- Cash flow analysis
- Roof loadings
- Report write up with system layout recommendation

**Post tender - £1,650 + VAT:**

- Tender Specification
- Evaluation of tender responses
- Post install check and report
- Expenses



## **Financial, Legal and Risk Management Implications**

The feasibility review will determine the financial return but initial calculations suggest a 17% yield on outlay through a combination of Feed in Tariff payments and reduced electricity bills as any electricity generated will be used by ABBC. The initial feasibility would be paid from Project revenue budgets, AS01, with sufficient funding of £167k left in the ABBC project carry forward budget to pay for the installation if agreed.

There are no legal implications.

There is a risk that delays will lessen the business case as the Feed in Tariff rates are reviewed on a quarterly basis with a historical decreasing trend. It is proposed to pay for the feasibility from revenue budgets and request capital funding for procurement and installation subject to the business case.

Contract standing orders allows an exception where it is in the best interests of the Council to negotiate a new contract with an existing supplier. CIS have a very good understanding of the systems in place at the Council and a track record of delivering sound advice and project recommendations thereby have advanced understanding over any new consultant.

### **Alternative Options Considered and Rejected**

To competitively tender for a consultant but any new appointment would not have the advanced knowledge of the Council and systems that CIS have or the proven results in project delivery.

### **Contribution to the Council's Objectives**

Achieving value for money.  
Energy efficiency.

### **Conclusion**

To agree the appointment of CIS as an exception to contract standing orders as it is in the best interest of the Council to work with an existing supplier who has a proven track record in the delivery of energy efficiency projects.

Contact Officer: Tracy Brannick

Ext: 5407

Date

26 April 2017

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Action reported to the Cabinet on:

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