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Request to direct award a contract to Solar for Schools CBS Limited to install solar panels at six primary schools using CPR 9.5

Date: 22nd September 2022

Report of: Senior Project Officer

Report to: Director of Resources

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

What is this report about?

Including how it contributes to the city's and council's ambitions

- The Council has been successful in bidding for £4,335,357 Public Sector Decarbonisation Scheme (PSDS) Round 3 funding to install renewable energy generation and other energy efficiency measures across a range of sites and buildings across the Council's corporate and school estate. This report seeks authority to direct award a contract to Solar for Schools CBS Limited (SFS) to deliver the installation of solar panels at six primary schools in line with the Council's Contracts Procedure Rules (CPR) 9.5 on the grounds that SFS are genuinely the only provider that can meet the Council's specific requirements.
- This decision flows from a key decision taken to inject capital for the scheme, details of which can be found at: [Council and democracy \(leeds.gov.uk\)](https://leeds.gov.uk/council-and-democracy).
- The primary focus of the PSDS is conversion to low carbon heating systems in buildings, but proposals involving this can also be combined with other energy efficiency measures to reduce electricity consumption such as solar generation and LED lighting. As well as ensuring significant carbon savings, the scheme will provide a stimulus to the energy efficiency and low carbon heat sector and represents a significant opportunity to create or safeguard local employment.

Recommendations

The Director of Resources is recommended to:

- a) Take a Significant Operational Decision to approve the direct award of a contract to Solar for Schools CBS Limited to install solar panels at six Leeds primary schools. This decision shall be made in line with CPR 9.5 on the grounds that the organisation is genuinely the only provider that can meet the Council's specific requirements. The works value will total £296,770.60 with a contract start date of 3 October 2022 and completion date of 31 March 2023.

Why is the proposal being put forward?

- 1 The approval of the recommendations in this report will allow for delivery activity to commence, enabling the project team to meet the grant conditions imposed by the funding provider. The direct award method is required as the traditional model of full capital input by the Client at primary schools proved incompatible with the BEIS grant requirements, and as a result an alternative business model was needed to submit a bid and avoid missing funding and the opportunity to reduce carbon emissions from the Council's school estate.
- 2 Solar for Schools CBS Limited is a not for profit organisation who have a history of delivering solar PV schemes tailored specifically for school's estate. Their business model includes;
 - Design,
 - Supply,
 - Installation,
 - Maintenance, support and monitoring, and
 - Replacement of inverters over a 25-year period
 - Capital contribution repaid through power purchase agreement (PPA) at a lower rate than market electricity prices
- 3 SFS successfully delivered works at 11 primary schools under a first round of PSDS funding.
- 4 Delivery of the works will reduce the Council's energy consumption and contribute towards its net zero targets.
- 5 This decision flows from a key decision taken to inject capital for the scheme, details of which can be found at: [Council and democracy \(leeds.gov.uk\)](https://leeds.gov.uk/council-and-democracy).

What impact will this proposal have?

Wards affected:

Have ward members been consulted?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
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- 6 Taking the decisions contained within this report will allow the contractor to place orders and mobilise to site. Solar panels will be installed at the following schools:
 - a) Alwoodley Primary School
 - b) Gledhow Primary School
 - c) Holy Trinity Church of England Primary School
 - d) Iveson Primary School
 - e) Seven Hills Primary School
 - i. This site is awaiting planning approval
 - f) Weetwood Primary School

What consultation and engagement has taken place?

- 7 Procurement and Commercial Services have been consulted to ensure the procurement method is in line with the Council's Contract Procedure Rules and in line with Public Contract Regulations.
- 8 Governance services have been consulted to ensure that decision making processes have been followed.

What are the resource implications?

- 9 All expenditure for the project will occur within the 2022/23 financial year. The project and contract management of the works will be delivered from existing resource within the Sustainable Energy & Air Quality Team.

What are the legal implications?

- 10 The decision is a Significant Operational Decision and will not be subject to call-in process under the Constitution. There is no confidential or exempt information included within this report.
- 11 The contractual arrangements with Solar for Schools CBS Limited that were utilised for delivering works during PSDS1 are to be replicated for the installation of measures under PSDS3.
- 12 CPR 9.5 permits direct awards where the relevant Director considers there is genuinely no competition such that only a particular organisation or provider can meet the Council's specific requirements. In making this direct award the above conditions of CPR 9.5 are deemed to be satisfied due to the unique business model provided by SFS, as set out in paragraphs 1 and 2 above.
- 13 Awarding a contract directly to SFS without competition could leave the Council open to a potential challenge from other providers, to whom this contract could be of interest, that it has not been wholly transparent. However, the fact that this direct award contract is well below the threshold for works contracts under the Public Contracts Regulations 2015 and the fact that SFS have already delivered on PSDS1, it is considered that such challenge risk is low. Although there is no legal obstacle preventing the use of CPR 9.5, the above comments should be noted and in making the final decision, the Director of Resources should be satisfied that the course of action chosen represents best value for money.

14 The completion date shall be 31st March 2023 to meet the PSDS3 grant requirements.

What are the key risks and how are they being managed?

15 The key risk relates to delivery to meet the pre-determined timescales of the funding provider, and to ensure we can carry out installs at convenient times for building users. The decisions taken as a consequence of this report serve as a mitigation to the risk.

Does this proposal support the council's three Key Pillars?

Inclusive Growth Health and Wellbeing Climate Emergency

16 The works associated with this decision directly support the Climate Emergency and the Council's aspiration to be net zero carbon by 2030.

17 The installation of solar panels across the Council's school estate support the installation of heat pumps, thereby providing improved working/learning environments contributing to Health & Wellbeing and Inclusive Growth for those operating in affected buildings and accelerate the rate of improvements in other buildings across the estate.

Options, timescales and measuring success

What other options were considered?

18 The following options were considered:

- Do nothing – this option was dismissed as the council would lose the portion of grant funding it has received for this element of works.
- Internal Service Provider – the internal service provider, Leeds Building Services, do not have the skills to undertake this work nor the ongoing maintenance and support.
- Full procurement exercise unrestricted – this option was dismissed as a provider would not be identified which delivered all the requirements of the specification.
- Mini competition utilising an appropriate framework – this option was dismissed as an appropriate framework could not be identified which delivered all the requirements of the specification.
- Direct award utilising an appropriate framework – this option was dismissed as no framework could be identified that allowed for a direct award, nor could one be found which included all the requirements of the specification.
- Direct award to SfS – this is the preferred option as SfS are genuinely the only organisation who can deliver to the whole specification and within the extremely tight timescales.

How will success be measured?

19 Success will be measured through the delivery of works within the timescales required.

What is the timetable for implementation?

20 The delivery timescale is proposed to commence in October 2022, with completion of the works by 31st March 2023.

Appendices

21 None

Background papers

22 None