

Overview and Scrutiny Management Board

Agenda



Date: Wednesday, 8 July 2020

Time: 1.30 pm

Venue: Virtual Meeting - Zoom Committee Meeting with Public Access via YouTube

Distribution:

Councillors: Geoff Gollop (Chair), Celia Phipps (Vice-Chair), Anthony Negus, Stephen Clarke, Claire Hiscott, Lucy Whittle, Paula O'Rourke, Brenda Massey, Jo Sergeant, Mark Brain and Jeff Lovell

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Date: Monday, 6 July 2020



Agenda

7. City Leap

Up-date Information Slides

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City Leap Energy Partnership OSMB Update

Wednesday 8 July 2020



ENERGY
SERVICE
BRISTOL

BRISTOL
city leap

BRISTOL
ONE CITY

The need for City Leap

- Bristol requires substantial new, local energy infrastructure to meet its 2030 net zero target; the council has a leading role to play but BAU won't deliver at the pace or scale required.
- City Leap has generated significant interest and excitement locally, nationally and internationally.
- Potentially significant contribution towards post-coronavirus recovery in the medium to long-term

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Local infrastructure/activity required to meet Bristol's 2030 net zero target

The council has a leading role to play in:

- Zero carbon heat networks: design, build and operation of generation and distribution infrastructure for zero carbon heat
- Installation of renewables, storage and energy efficiency measures at the point of use in all homes and businesses, initially on the council's estate but also the private and commercial sectors
- Driving up the efficiency and lowering the costs to users of the local energy system through enabling smart systems and interconnection between energy infrastructure

Timeline to commencing procurement

- May 2018 – City Leap Prospectus published (soft market testing)
 - 180 Expressions of Interest received
 - Over 160 organisations met with
- November 2018 – Cabinet Report
 - Results of soft market testing
 - Funding for options appraisal
- April 2019 – Cabinet Report
 - Approval of recommended option (joint venture company structure)
 - Approval to procure City Leap Strategic Partner for joint venture (City Leap Energy Partnership)

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Procurement exercise (1)

- April – August 2019
 - Comprehensive suite of procurement documentation prepared
- 06 September 2019
 - Concession Notice published
- 02 October 2019
 - Selection Questionnaire published
- 08 October 2019
 - Bidders Day, 70+ organisations attended
- 18 November 2019
 - Responses received from a range of organisations (Bidders)
 - 8 Bidders selected to take to next stage

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Procurement exercise (2)

- Next stage was a dialogue stage
 - Designed to obtain feedback from Bidders on key points of the procurement
 - BCC reserved the right to amend procurement documentation
- Comprised three rounds of face-to-face meetings with each Bidder
 - Completed on 5 March
 - Extensive range of feedback received from Bidders across a range of topics
 - Bidders complimented the council on quality of procurement documentation
- Feedback received required consideration and discussion with Cabinet Members and senior officers to determine any changes.
 - Discussions delayed due to the emerging coronavirus pandemic
 - Procurement delayed for an unspecified period of time

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City Leap moving forward (1)

- Intend to make a number of changes to the procurement in order to deliver the best possible outcome for Bristol
 - Given the innovative nature of City Leap, change was always anticipated
 - Materially affects the procurement
 - Initial procurement exercise ended, Bidders notified on 26 May 2020
 - Seeking Cabinet approval on 14 July 2020 to recommence
- Separately a decision was made at Cabinet on 2 June 2020 regarding the sale of Bristol Energy
 - Continued strong interest in City Leap

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City Leap moving forward (2)

- Build on substantial progress made previously
 - Will be re-using the large majority of the procurement documentation
 - Issue Concession Notice and Selection Questionnaire as soon as practicably possible post Cabinet approval

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Revised procurement less complex and streamlined

- No dialogue stage
- Likely to complete the procurement more quickly
- Potential for a wider pool of Bidders

Strategic Objectives 1 - 3

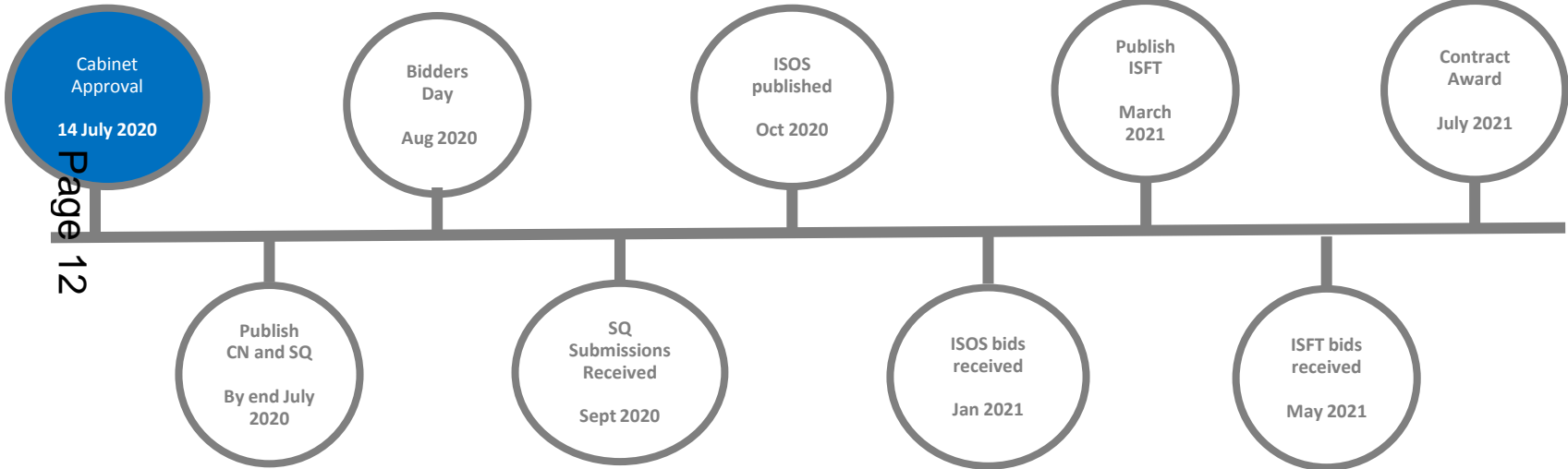
	Original Strategic Objective	Revised Strategic Objective
Page 10	1 Establishment of a long-term, flexible City Leap Energy Partnership to strategically develop, co-ordinate, deliver and facilitate a programme of work that supports the creation of a resilient energy system for Bristol on its pathway to carbon neutrality.	As before
	2 Optimise Bristol City Council's assets and services to attract additional investment and generate revenue to support a sustainable business model for the City Leap Energy Partnership.	As before
	3 Ensure that the residents, communities and businesses of Bristol are fully engaged by the City Leap Energy Partnership and are able to influence and participate in the programme of work.	As before

Strategic Objectives 4 - 6

	Original Strategic Objective	Revised Strategic Objective
4	Maximise the economic, social and environmental benefits arising from the programme of work carried out by the City Leap Energy Partnership, including job creation and the alleviation of fuel poverty in Bristol.	As before
5	Ensure that the City Leap Energy Partnership supports and enables innovation, ensuring Bristol prospers from the energy revolution and enhancing its reputation as a leading global 'smart city'.	Deliver the future smart low carbon energy system for Bristol and support innovation more broadly.
6	Further enhance Bristol's reputation as a leading energy city through monitoring, evaluating and disseminating the lessons learned from City Leap and working towards replicating City Leap across the UK and beyond.	As before

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Timeline (indicative)



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Budget

- As at 31 March 2020: £4.2m spent on procurement of a City Leap partnership since November 2018.
 - It is estimated a further £2.3m will be required leading up to Contract Award, including 10% contingency.
- Total estimated spend of £6.5m by Contract Award.