



Department for
Energy Security
& Net Zero



Cabinet Office



Government
Property
Function

CATAPULT
Energy Systems

Theme 3 – Procurement



Public Sector
Decarbonisation
Guidance

Disclaimer:

Licence and disclaimer

This document has been prepared by Energy Systems Catapult Limited (“ESC”) working on behalf of Department for Energy Security and Net Zero (“DESNZ”) and Government Property Function (“GPF”).

The document and its contents have been prepared in good faith, based upon the information available to ESC at the time of writing and are made available “as is” without any representations, conditions, warranties or other terms of any kind. The ESC and the authors, together with DESNZ, GPF, their employees, directors, servants or agents exclude to the maximum extent permissible by law all representations, warranties, conditions or other terms whatsoever (whether express or implied) regarding the use of this document or its content including any warranties of title, merchantability, accuracy, completeness, non-infringement or that the document or its contents are of satisfactory or any particular quality or fit for any particular purpose.

Any person accessing this document and using it, or any of its contents, is solely responsible for determining the appropriateness of any reliance put on it and assumes all risks in doing so. All content of this document is copyright © 2023 Energy Systems Catapult Limited. The information in this document is the property of the ESC. You may copy, publish, distribute or otherwise transmit the information PROVIDED THAT you acknowledge that the information contains copyright information of the ESC and include the following acknowledgement “Information taken from Theme 3 guide – Procurement created by the Energy Systems Catapult Limited.”

Contents

What is the purpose of this guide?	4
What is procurement?	6
Why is getting procurement right important for decarbonisation?	7
Identifying the right procurement route for your need	9
1: Action - What might you need?	10
2: Action - Determining whether to get resource from within the organisation or obtain consultancy support	11
3: Action - Determining the relevant provider for the service requirement	13
4: Action - Engage early with key stakeholders including procurement	14
5: Action - Work effectively with your procurement team to deliver	15
6: Action - Considering the different types of organisations for installation and what they offer	16
7: Action - Establish if you can work with existing suppliers	19
Basics of public procurement	21
8: Action - Understanding the types of contract routes available	23
9: Action - Determine your procurement route	25
10: Action - Planning and setting realistic timelines and managing delays	25
11: Action - Set out and agree tasks	26

What is the purpose of this guide?

As part of a programme funded by The Department for Energy Security and Net Zero (DESNZ), The Energy Systems Catapult has produced seven guides for the public sector to support them to decarbonise their built estate.

These guides cover seven themes which cover all the activities required to successfully develop and deliver a decarbonisation strategy.

This guide is for Theme 3 and is designed to provide a high-level insight into how to procure the goods, works and services you will need to decarbonise existing buildings, particularly in relation to heat decarbonisation.

Each of the seven guides will also signpost to:

- Other guides, tools and templates developed by ESC
- Useful external resources

We welcome your feedback on these resources, please email ESC at PSDecarbGuidance@es.catapult.org.uk

This Theme guide is complemented by a suite of other guides. The guide on **Understanding procurement event processes** should be considered a follow on.



**1**

Developing and delivering your strategy

Setting an organisational strategy to decarbonise heating. Gaining decision maker and stakeholder buy-in. Setting emissions reduction targets. Selecting projects and planning delivery, developing project briefs.

**2**

Feasibility and design

Developing a detailed feasibility study for one or a suite of investible decarbonisation measures. Securing budgets and determining project timescales.

**3**

Procurement

Running a procurement process and ensuring value for money is achieved through a competitive process. Accessing framework agreements and designing contracts.

**4**

Funding

Securing external or internal funding for at scale decarbonisation projects. Writing robust business cases.

**5**

Installation

Project management of installation and implementation of a decarbonisation project. Monitoring progress against a programme of works and implementing quality assurance processes.

**6**

Commissioning and handover

Handing over a completed decarbonisation project including staff training, correct setup and commissioning of equipment and ensuring all handover documentation is in place.

**7**

Monitoring and evaluation

Understanding the benefits being delivered by an energy efficiency and/or decarbonisation measure through metering and analysis. Ensuring benefits are reported.

What is procurement?

It seems obvious but what is the definition of procurement?

Procurement can be defined as the process of purchasing goods, works or services at the most economical total cost, while adhering to any specific requirements. The procurement process (tender procedure) should be optimised for the benefit of the authority, supplier, or individuals and should be secured by signing a contract.

Procurement vs. purchasing is a common comparison, given how the two terms are used interchangeably. They are similar, but they do have their differences.

There is a legal obligation on public sector organisations to procure any new goods or services, whilst ensuring value for money. The Crown Commercial Service (CCS) defines this as *“the best mix of quality and effectiveness for the least outlay over the period of use of the goods or services bought”*.

The overall procurement process can be critically important for organisations leading up to their final purchasing decision. The procurement process should be considered to start at the point where you begin identifying and specifying what you need, through the tendering process and contract negotiations and management, right up to the point where the goods or services are handed over from the contractor to your organisation.

- Purchasing signifies transactional services
- Procurement signifies the strategic process of product or service sourcing like researching, negotiation, and planning



Why is getting procurement right important for decarbonisation?

Procurement is the route by which you will purchase the goods, works and services you need to implement your decarbonisation strategy. Without being able to procure effectively, the outcomes defined in your strategy are unlikely to be delivered.

Procurement can be complex, and procurement of decarbonisation measures especially so, including for the following reasons:

- The technical complexity of measures and demonstrating impact including through measuring and / or reporting emissions reductions
- The relative newness of some technologies, for example compared with older forms of heating and power supply
- The difficulties of keeping up with technological advancements and

newer emerging technologies and what these might mean for your buildings or estate

- The developing nature of the market for some measures and expertise
- Needing to take a whole building approach, or implement a package of measures at the same time
- Not being able to purchase an ‘off the shelf’ solution so a tailored approach to procurement is needed
- The procurement team might be less familiar with decarbonisation generally

Additionally, understanding your available procurement routes will be critical for applying for, and spending, the funding that is available through grants such as the Public Sector Decarbonisation Scheme (PSDS). Grants often have set time periods within which the funding must be spent.

Selecting the right procurement route for the services you require will enable you to:

- Achieve value for money
- Deliver your individual projects
- Deliver the defined benefits of your decarbonisation programme

Getting it wrong could lead to:

- Spending more than anticipated
- Extended timelines
- Poor quality outcomes
- Additional demands on your organisation’s time and capacity
- Your organisation’s needs not being met
- Issues post installation or handover of the procured good or service



Starting with understanding your needs, the options available, and then selecting the right procurement approach offers a logical route to success.

All public money falls under the Public Contract regulations (PCR) 2015, this is the statutory law that must be followed by all public sector organisations and any other organisations that are required to comply with the PCR regulations. The regulations set out the following areas which fall under the regulations.

- **Goods:** Any products or materials purchased by the contracting organisation. Those that have a value exceeding the current threshold defined by PCR rules will be subject to PCR tendering requirements
- **Services:** Services provided to the contracting organisation by an external service provider (an individual or a company). Those that have a value exceeding the current threshold defined by PCR rules will be subject to PCR tendering requirements
- **Works:** Building, construction, and engineering related works. Those that have a value exceeding the current threshold defined by PCR rules will be subject to PCR tendering requirements

Throughout the life cycle of a decarbonisation programme different skills and support are likely to be required. For each instance where you need to procure, a different approach to the procurement of services may be

required. Roughly breaking down the types of goods, works and services into the two categories below covers the types of procurement support this guide is designed to help with.

Consultancy support services

Consultancy covering project management, energy management, building services, surveying, cost control, and much more.

There are multiple ways in which suppliers can be procured and / or contracted for both of these types of support, depending on the complexity.

Contractor implementation support

Installers of varying types, from FM maintenance to capital, electrical, mechanical, construction (works) or specialist contractors.

The next section takes you through some of these options and connects them to the procurement routes available.



Identifying the right procurement route for your need

Before being able to identify the right procurement route, you will require a good understanding of the services and support you need over the life cycle of your projects as well as the wider decarbonisation strategy.

This guide proposes actions which will help diagnose what support is required.

<p>Actions 1-3 focus on exploring what you might need and where you might seek support</p>	<p>1: Action - What might you need? ➤</p> <p>2: Action - Determining whether to get resource within the organisation or obtain consultancy support? ➤</p> <p>3: Action - Determining the relevant provider for the service requirement ➤</p>
<p>Action 4 and 5 talk about how to engage with stakeholders, including early engagement with the procurement and legal teams</p>	<p>4: Action - Engage early with key stakeholders including your procurement team ➤</p> <p>5: Action - Work effectively with your procurement team to deliver ➤</p>
<p>Action 6 and 7 consider the types of organisations you could work with and explore if you have an ability to do so within your current organisational relationships</p>	<p>6: Action - Considering the different types of organisations for installation and what they offer ➤</p> <p>7: Action - Establish if you can work with existing suppliers ➤</p>
<p>Actions 8 to 11 provide high-level information on how to get going with your procurement event</p>	<p>8: Action - Understanding the types of contract routes available ➤</p> <p>9: Action - Determine your procurement route ➤</p> <p>10: Action - Planning and setting realistic timelines and managing delays ➤</p> <p>11: Action - Set out and agree tasks ➤</p>








We have also produced a further guide 'Understanding procurement event processes' that covers running a tender event in more detail.

1: Action - What might you need?



Consider what task or activity you are trying to deliver within your decarbonisation programme and what activities skills and experience might be required.

To help you do this, the table below breaks down what activities, skills and experience that might be required within the organisation, from consultant support services through to contractor implementation support.

Theme	1 	2 	3 	4 	5 	6 	7 
Role	Developing and delivering your strategy	Feasibility and design	Procurement	Funding	Installation	Commissioning and handover	Monitoring and evaluation
Within the organisation	Oversight of, or delivery of, strategic thinking. Energy management and analysis. Identify stakeholders. Run any cross functional user groups.	Oversight of, or delivery of feasibility and design studies. Ability to oversee the development of projects.	Technical decarbonisation expertise to feed into the procurement process and help specify what is required. From the procurement team: Procurement and contracting expertise, evaluate commercial proposals (and potentially assist you writing a business case). Liaise with legal department to negotiate and finalise the contract.	The ability to write business cases and support business case sign off.	The ability to the be able to oversee the installation of projects to track progress, to challenge activity onsite technically, or have oversight of another delivering.	To ensure that operational staff who will be involved in the ongoing use of the project are sufficiently skilled and briefed.	To ensure that the project savings are tracked.
Consultancy support services	Strategic thinking and analysis. Energy management and analysis.	Delivery of feasibility and design studies.	Supplier engagement. Procurement support. Develop technical requirements.	Business case drafting.	The ability to be able to oversee the installation of projects to track progress, to challenge activity onsite technically.	The ability to review and challenge the handover and ensure that the commissioning of the installation is properly completed.	The ability to be able to ensure that the installation is operating at its optimum.
Contractor implementation support			Supplier engagement. Contract management.		Technical installation services.	Technical handover and training.	Ongoing FM management of installation.

2: Action - Determining whether to get resource from within the organisation or obtain consultancy support

Choosing the type of support that is required, whether this is consultancy or expansion of the internal team:



Actions

Type of requirements	What it would do	Advantages	Disadvantages
Secondment	Additional skills and resource within the team	Resource can be quickly found for an agreed time period. They are likely to have general knowledge of the subject matter, they may be easier to manage and able to effectively coordinate as they sit within the team.	Knowledge isn't built up within the team or organisation as when the secondment ends the learning can be lost.
Consultancy support	Specialist support aligned with the requirements of the task	Provides specialists, which will provide specific services for certain tasks and are likely to have previous relevant experience.	To get the most the task has to be clearly specified. Could be more expensive.

Where you could seek resources for a secondment:

- Internal transfer: Within your organisation there may be someone with the required skills who is interested in coming to support this phase of your decarbonisation programme
- Agency: Agencies may be able to provide resources at a day rate on a temporary basis
- Consultancy: Consultancies may be able to provide resources at a day rate. This may often be

comparable to the rate that they charge out for consultancy so may be higher than you are willing or able to pay

- Facilities management: May already have some capacity to provide this type of support and willing to offer up resource
- External end to end providers: May be willing to offer up resources at the start of an end-to-end service

Make sure that they have the skills and accreditations that you need for the task in hand.



Actions

Resource	What does it provide you with?
Skills and capabilities guide	This guide covers the skills and capabilities that might be required for each of the activities you and your team need to undertake to deliver a decarbonisation programme, including a short section on procurement.
Scope of services to support decarbonisation	This document can help you bring in specialists to support your decarbonisation programme by providing a template procurement specification.
Sample specifications for technology deployment	This guide will help you to include the right information in your specification helping you to get a comprehensive quote for the works you require, and ensure that your project is delivered on time, on cost and as you expected.
Sourcing and eSourcing organisations	The following organisations provide procurement services: Achilles Proactis Crown Commercial Service SAP Business Network JAGGAER

3: Action - Determining the relevant provider for the service requirement



Actions

By understanding the provider options available it's possible to start to explore the type of procurement process that might need to be followed.

Type of providers against requirements	Within the organisation	Agency	Consultants	Installing Contractor	Energy broker	Facilities Management contractor	End to end provider	Potential contracting route
Secondments	x	x	x			x	x	<ul style="list-style-type: none"> • Within the organisation • Existing contracted organisation, framework or agency • Typically on a day rate
Consultancy support			x			x	x	<ul style="list-style-type: none"> • Through existing contracted support (e.g. wider consultancy support contracts and FM contractors) • Existing frameworks (DPS or other) • Other public sector frameworks • Part of a new end to end service • Could be on a day rate or priced against task
Utility (gas and electric) supplier				x		x		<ul style="list-style-type: none"> • Use of other public sector contracts / frameworks • Utilities can be factored into lease or rent fees
Installation contractors				x		x	x	<ul style="list-style-type: none"> • Through existing contracted support (e.g. FM contractors) who then tender the work on your behalf • Existing frameworks • With other public sector frameworks • As part of a new end to end service • Likely to be a fixed price for the work
Ongoing management of the installation						x	x	<ul style="list-style-type: none"> • Through existing contracted support (e.g. FM contractors) • As part of a specialist new contract • As part of a new end to end service • Could be on a day rate or priced against task

4: Action - Engage early with key stakeholders including your procurement team



Actions

If you think that you may need to outsource some work a good starting point is engaging with your procurement team. They will help you explore your needs and think about the types of services you might need or could be supported by.

There may also be other stakeholders across your organisation who will be able to help you scope your needs, for example those with recent experience of procurement.

There are likely to be two stakeholder characteristics you should consider including.

1. Those who can assist in your thinking
2. Those who should be fully aware of your aims. (This group is more likely to know about your activities as they will need to approve or sign off business cases)

For the latter group of stakeholders you may wish to consider:

- Identifying their expectations and working out how to meet them
- Gaining their buy-in throughout all stages of the process
- Ensuring that they support the contract after it has been implemented

If there are a large number of stakeholders that require engagement and buy-in, one way to tackle this is to establish a cross functional user group that can be brought together as part of delivery governance. This group can be engaged early on to provide ideas but can continue throughout the life of the procurement and contract.

Areas they could support you on include:

- Identifying what resources are needed to support the project
- Developing the procurement strategy
- Tender evaluation
- Ongoing activities of contract/ supplier management
- Implementation and monitoring of the project as it is delivered
- Compliance and benefits tracking after project completion

5: Action - Work effectively with your procurement team to deliver



Actions

Building a good working relationship with the procurement team at the beginning of the process will help you achieve good outcomes. Close working and being able to understand what they need from you is going to improve the timeline, the quality and the value achieved.

Some procurement teams may only have limited resources. It will be essential to ensure that the procurement team understands decarbonisation, and particularly heat decarbonisation, is complex. It is likely to require a tailored approach and is very different to procuring a new 'off the shelf' solution such as a like-for-like boiler replacement.

Understanding that what is being procured is not an 'off the shelf' service or measure will inform the frameworks and contract types the procurement team recommend. Having technical input at this point is especially helpful in ensuring everyone is clear about the solution required and the benefits it needs to deliver.

It's worth noting that procurement teams usually plan their tender activity many months in advance and if they are not aware of any potential new or up-coming tenders, they may not have the capacity, time or resources to take on new tenders.

It is vital you make your procurement team aware of what you are planning to do even if you are only in the very early

stages. The sooner you make them aware of what may be coming along in the future, the more chance your procurement team can find the capacity and resources required to support you at the right time.

Regular engagement with the procurement team is especially crucial when you are waiting for the funding or budget to be signed off. This can take longer than you planned for and could prevent you from giving the procurement team a time when you will be ready to proceed.

Once your procurement team understand what you are seeking to achieve they can propose the best routes and / or procedures to follow once you are in a position to progress the tender / procurement. They should guide you through the process and what you need to do.

As a starting point it's good to understand:

- The process your procurement team propose to follow
- Who the key stakeholders are
- What they expect from you
- What the procurement team will do to support you

It is likely, before anything is taken forward, they will need to seek sign off to commit resources to a project - as will you. Being able to share knowledge and help build each other's cases will expedite action.

6: Action - Considering the different types of organisations for installation and what they offer



Actions

When considering the right type of approach to contracting support, it's important to understand what you get from each of the different supplier groups and how you may need different combinations of them.

Consultants should be typically technology and installer agnostic and independent of bias. They should consider the best technical solution for the situation you ask them to assess. They are able to:

- offer advice and support on the technical solution and the approach to be taken for procuring and delivering the implementation phase
- give you budget estimates to support your more detailed business case
- provide specifications for any subsequent procurement
- oversee any installation and give you technical confidence

Utility Suppliers typically allow you to procure your energy, often called Energy Brokers. They may also offer energy bureau services. Crown Commercial Services offer an energy procurement service which is mandated for all central government departments but there are also a number of alternatives in the marketplace for other areas of the public sector.

Installing Contractors are interested in implementing projects. They may

specialise in construction, mechanical and electrical services and systems or renewable projects. When looking to commission a project it's important to understand the type of specialism you are looking for. Understanding a contractor's track record for the project under consideration is essential. If it is not core to their activities, you may receive an inflated quote and timeline as they manage their risk.

Where contractors don't have the skills necessary, they may seek sub-contractors to support them. From a procurement perspective this is seen as preferable as the contractor manages all the risk of the project delivery rather than you having multiple contractors to manage.

Facilities Management (FM)

contractors typically perform a number of operational services to manage the estate of a client which can cover cleaning, security, catering and building operation and maintenance.

In their role they may provide consultancy, deliver work themselves, or act as the go between for an installing contractor. You may be contractually obliged to use them, they are likely to have agreed rates which may be good value and already have a procurement process ready for use, though perhaps not for the technology proposed.

However, it should be noted that your FM contractors may not have the inhouse experts or skills to undertake all potential services you require. Therefore unless the agreement with the FM contractor covers any additional works, it can be expensive to use the FM contractor to bring in the suppliers needed.

This approach could raise risks regarding:

- Liability and who would be responsible should anything go wrong
- Loss of standardisation across your estate resulting in multiple bespoke systems / service (if your FM contractor does not cover all of your estate) which could cost more as you are unable to take advantage of economies of scale and lose the out on discounts through volume

In addition, ongoing maintenance can become a problem if the current FM contractor loses the next tender you run, as the incoming contractor may not want to take responsibility for any systems the previous FM contractor installed or was responsible for.

For more information on facilities management and decarbonisation please see our guide **The role of facilities management in decarbonisation**.

End to end providers are organisations that can support all aspects of decarbonisation and will typically take on a project from inception, take it through feasibility and design, deliver the installation of the project, and potentially monitor savings delivered afterwards. These could also be FM providers.

Often end to end provider solutions come with guaranteed savings that are achieved over a time period, that fund the project. Whilst this gives access to funding and can see projects implemented, the cost of projects over a lifetime can often increase substantially. To understand this potential impact, a whole life cycle costing ought to be carried out before deciding if it is an acceptable approach.

As the solution is also developed by the organisation who is installing, it sometimes means that the presented solution suggested is not technology agnostic or independently selected. Any weakness in scope of requirements can create long term issues especially if you end up with a system only the original supplier can maintain. Therefore careful consideration must be made before awarding an Energy Performance Contract (EPC) to avoid future issues over ownership and maintenance costs.



The following table provides further resources for consideration:

Resource	What does it provide you with?
The role of facilities management in decarbonisation	This guide provides support for organisations which currently have, or are thinking about contracting a facilities management (FM) company. This guide particularly relates to incorporating decarbonisation into an FM contract. This guide explores some ways to work with an FM company through existing or future contractual arrangements and how they can be planned for or managed.
Buying Energy: options for public sector buyers	CCS guidance which covers procurement options for gas, electricity and liquid fuel available from the Crown Commercial Service for public sector organisations.
Crown Commercial Service energy framework contract	A CCS framework contract which covers supplying electricity and gas to the public sector and their associated bodies and agencies. This includes billing, administration, customer service and ancillary services.
Local Government Association -National Energy Category Strategy for Local Government 2022 – energising procurement	A strategy produced by the LGA to help local authorities optimise the way they manage energy. It includes good practice examples and case studies related to all areas of local government energy procurement.
UK Government FM Strategy	This Facilities Management Strategy establishes a coordinated, cross-government vision for facilities management, setting the strategic approach and standards which will govern what good looks like and the quality of service which should be aspired to.



Actions

7: Action - Establish if you can work with existing suppliers



Actions

Do you know what current contracts your organisation operates?

using an existing contract will save you time and resources by avoiding having to run a formal tender event.

Your organisation may have an existing route to procure the services you require via existing framework contracts and/or Dynamic Purchasing System (DPS) agreements. You should consult your procurement team to ensure the contract is suitable and there is sufficient scope within the contract to cover what you need to procure. This is especially important where the cost of the services is above your established thresholds, as

All contracts have a limit on what can be spent and once a limit is exceeded this should require a new tender to be run, often referred to as material change rules. If you are close to this limit you need to consult your procurement team to ensure you don't break material change rules. Material change can be in terms of scope and/or value of the contract.

These are some questions that form a good checklist of things to find out.

Question	Relevance
What type of contract is it?	To understand how the contract works.
Who is the contract with?	To understand the types of contractors who are accessible to do the work. May be with one or several contractors.
Does your proposed purchase meet your internal procurement policy?	Can you use any current contracts and comply with your organisation's Procurement Policy? Do you need to get quotes based on value of the services?
What services does it cover?	Does the contract cover services which are similar to that which you are seeking. If not, it may be difficult to ensure that you are able to get a quality output.
How long does the contract last?	To ensure that the contract isn't going to come to an end soon. Typically, when a contract comes to within 6 months of the end of a contract there is less enthusiasm to kick off new work. Can the contract be extended?
How are prices for work established?	How are projects or activities priced? Are they priced against a standard framework of agreed rates?

Question	Relevance
How long does a procurement activity take?	Dependent upon the contract type it may be quick and easy to commission work, or slow and include a formalised procurement process.
Does your requirement exceed the existing contract's value or scope?	Regulation 72 of the PCR 2015 rules describes a number of changes that can be made to awarded public contracts without triggering a requirement to conduct a fresh tender process. Importantly, a change proposed by a contracting authority will only need to satisfy one of the requirements of regulation 72 tests in order to not be deemed a material change.



Actions

If the answer is positive to the majority of these questions, you may have found a way to acquire some and / or all of the support you need without having to run a procurement event.

If not, you may need to explore the options to create a new procurement event or events either for this situation or for multiple future projects.

It is always best practice to consult your procurement team to ensure you comply with both your organisation's and the public procurement rules.

The **Understanding procurement event processes** will provide more detail on the different types of Tender Procedures.



Basics of public procurement

Public procurement is subject to a few legal, ethical, social and other requirements and must be undertaken in an open, fair and just way. It must also be done in such a way as to deliver value for money.

The Public Contract Regulations (PCR) 2015 are the laws governing all public authority spend on goods, services and works above certain thresholds. They set out that public contracts within the scope of the rules need to be awarded transparently, ensuring equal treatment of suppliers and must respect a number of detailed procedural requirements.

There are specific regulations for utilities, industry and defence but generally there is little difference between the regulations, other than thresholds which are normally higher and certain specific laws governing defence and national security.

Public procurement rules are in place to ensure all public sector organisations meet the following principles and can show and provide evidence they have met the principles when spending public money:

1. **Transparency** information on the public procurement process must be available to everyone: contractors,

suppliers, service providers and the public at large, unless there are valid and legal reasons to keep certain information confidential.

2. **Integrity** (two-fold). Integrity of the procurement process, and also integrity of public procurement practitioners (yourself), the principal guardians of the process.
3. **Economy** known by other terms such as: efficiency, value for money, commercially reasonable price, etc., this principle places emphasis on the need to manage public funds responsibly such that prices paid for goods and services are reasonable and represent good value (in terms of quality) for the amount of public funds expended on them
4. **Openness** should prevail in public procurement. This means that, given the use of public funds, public procurement opportunities should be open to all qualified firms and individuals, and the public should have access to information pertaining to public procurement.
5. **Fairness** equal treatment of all suppliers. Decision-making and actions should be unbiased and there should be no preferential treatment (to individuals or firms) given that public procurement activities are undertaken with public funds.



6. **Competition** leading to reasonable price and quality and is good for the economy; consequently, the public procurement process should not be manipulated to give preference to any particular firm(s) or individual(s).
7. **Accountability** responsibility for actions and decisions, and having the obligation to report and / or answer to a designated oversight entity, e.g. Government, High Courts and the public on the consequences of those actions and decisions.

Resource	What does it provide you with?
Crown Commercial Service	Crown Commercial Services provides guidance on public procurement policy.
Managing Public Money	This publication offers guidance on how to handle public funds.
Guidance on public sector procurement	Information for public authorities, businesses and other organisations on public procurement policy.
OECD guide to procurement	There is some useful information and tools within the website but you should only look at anything that relates to the UK.
Local Government Association -Procurement	Has a number of useful guides and tools to help local councils meet their objectives.
Sustainable Procurement – Delivering local economic, social and environmental priorities	A toolkit for commissioners, procurement practitioners and contract managers to assist with sustainable procurement.
World Trade Organisation Procurement guide	Post Brexit this Informs contracting authorities of considerations due to the UK's membership of the GPA and actions required to apply the public procurement rules in the TCA.
Chartered Institute of Procurement and Supply (CIPS)	Public Sector Procurement Intelligence Hub with useful resources on procurement and contract management.



8: Action - Understanding the types of contract routes available

The types of potential contracting routes vary depending on the type of contract or indeed framework available.

The following table summarises the types of contracting routes or existing contracts you might encounter. The **Crown Commercial Service** also provides further details.



Actions

Name of contract type	What is it?
Framework contract (can be broken into Lots)	<p>The term Framework contract can be used in two ways.</p> <ol style="list-style-type: none"> 1. Where a number of suppliers have bid to support services at agreed terms and conditions. They have all been accepted onto the framework or to a specific Lot or Lots. They may have been accepted for specific skills or services for which they price through a mini-tender or can be directly awarded the work (subject to your internal policy) via a schedule of rates. 2. Alternatively, a framework can be interpreted as a contract which gives you access to one framework contractor under which you can ask for a range of services where prices or rates have been agreed (similar to a single source contract but with more restrictions and no exclusivity of supply) and the contract can be extended after the initial period expires. A good example of this type of contract is a facilities management contract. <p>These types of contracts can be applied to all goods, works and services. Subject to an organisation's procurement policy direct award can be made to any of the contracted supplier without any further competition.</p>

Name of contract type	What is it?
Dynamic purchasing system (DPS) (can be broken into Lots)	<p>Dynamic purchasing systems offer a way to build up an extensive list of suitable contractors which can support services. They are able to join the system at any point and will have already signed up to terms and conditions, enabling tenders to be achieved relatively quickly.</p> <p>Under a DPS Contract the supplier applies to join and does not bid for a contract.</p> <p>These types of contracting routes are often applied to consultancy. You cannot directly award work to any contracted supplier; all suppliers must be offered the opportunity to quote regardless of the value of the work.</p>
Single source contracts	<p>This is the standard type contract where a single supplier is selected and awarded a contract for specific goods, works or services, usually giving exclusivity of supply to the contracted supplier.</p> <p>This is the normal type of contract for many bespoke FM, Goods (products) Construction (Works) where you have a set requirement based on the goods, works or services or length of contract being awarded.</p> <p>Typically, these will be either fixed term, fixed price or a combination of fixed time and materials based contracts.</p> <p>A master service agreement would fall under single source contracts where you have a master supplier who may source and manage other suppliers on your behalf.</p>



Actions

9: Action - Determine your procurement route

Using the information above and talking with your procurement team will allow you to explore the types of options available to you.

If there is appetite to use an existing framework set up by someone else e.g. Crown Commercial Service, then

search through the different types of frameworks suitable below.

This is not an exclusive list but a good starting place. This section requires a whole guide of its own. Go to our **Procurement process guide** to read more!



Actions

Resource	What does it provide you with?
Understanding procurement event processes	See our procurement process guide which starts to explain about the different tender procedures and how to run them.
Procurement routes and framework list	This guidance provides examples of public procurement frameworks that are available for you to use, helping you to source what you need to deliver your decarbonisation projects.
CCS frameworks	You can download this guide which lists all of the CCS frameworks and DPS agreements you may wish to consider using.
Net Zero Go	Net Zero Go also contains information on procurement routes relevant to LAs.

10: Action - Planning and setting realistic timelines and managing delays

Linked to **Action 1**. On the face of it, procurement seems a small part of the overall decarbonisation process. However it is important to be realistic about how long it is going to take, and tasks will need to be successfully completed.

One key factor many people fail to plan for is contract negotiations – consider allowing sufficient time after the award of a contract to enable your legal team to assist with any contract negotiations.

The legal team will also need to have

the capacity and resources available and need to be kept in the loop from the early stages through to completion of any procurement event. They will also advise on the best form of contract e.g. bespoke, NEC 4 or other industry standard form of contract as you will need the draft contract before you go to the market as part of your tender documentation. Again, as with procurement, early engagement with your legal team is key to keeping any contract drafting and negotiations to a minimum and avoid undue delays.



It may not suit all organisations, but consider the benefits of setting up a user group with representatives / stakeholders from all key areas to help:

- Keep everyone engaged
- Complete each step of the process in a timely fashion - especially if it is a

complex or highly visible contract which may need a number of sign off stages (stage gate reviews) throughout the process

- Project sign off and approval

11: Action - Set out and agree tasks

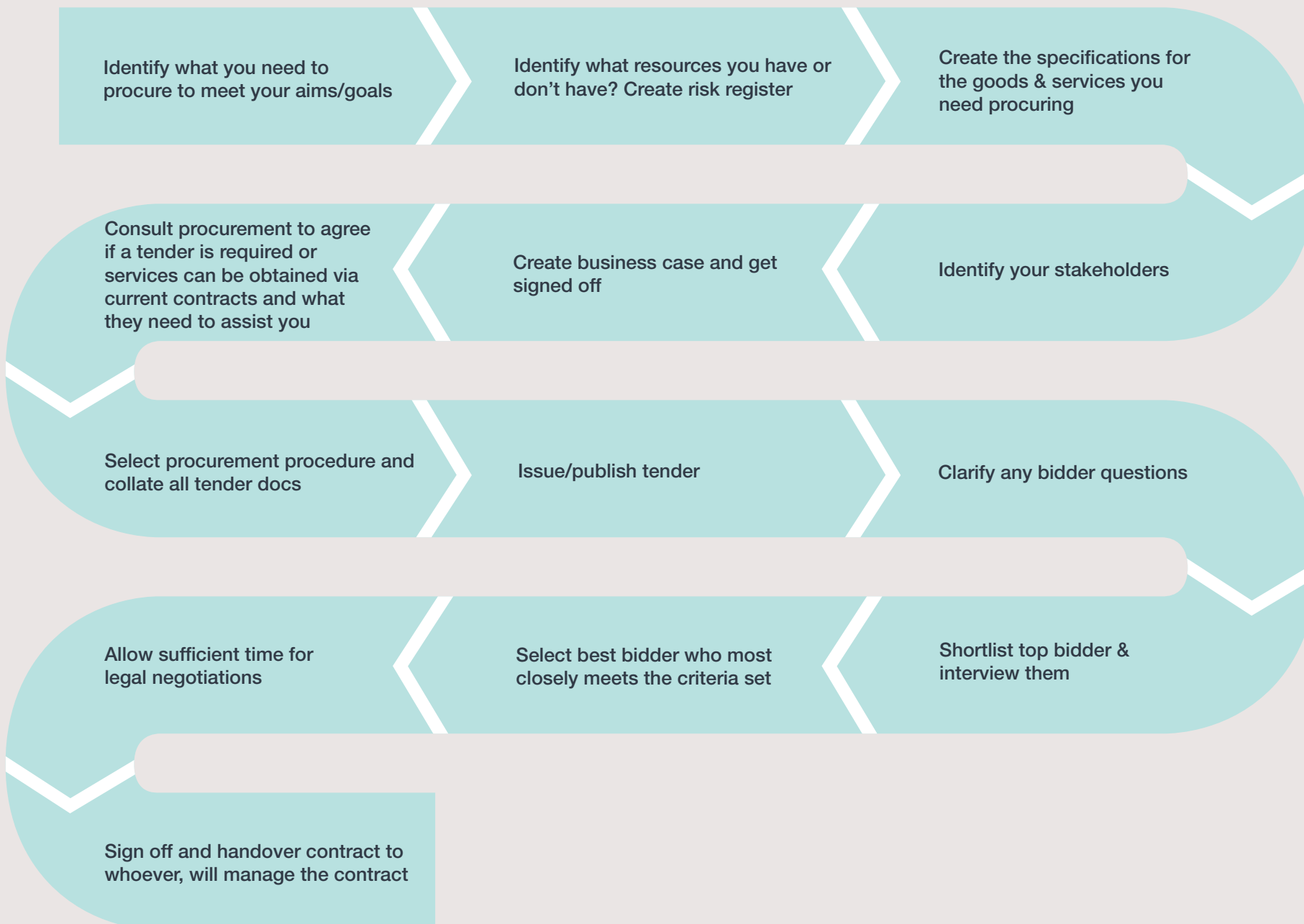
Setting out the expected tasks within the procurement exercise and allocating reasonable time periods and resources will help with the management of the process. Often getting sign off for funding, a business case, procurement

or legal aspects of a project can cause delays. Being realistic and also developing a risk register with mitigation steps early on will help identify and manage issues before they arise.

Resource	What does it provide you with?
Sample specifications for technology deployment	This guide will help you to include the right information in your specification helping you to get a comprehensive quote for the works you require, and ensure that your project is delivered on time, on cost and as you expected.
Running a procurement process checklist	This checklist provides a quick reference guide for the four key stages of procurement; pre-tender, tendering, evaluation and handover. It sets out the considerations at each stage helping to make sure you don't miss any key steps.
CCS guidance	This note contains a Decision Tree and guidance on the choice of procurement procedure. It also sets out the general policy expectations on procurement.
RIBA and other guidance	Guidance on the RIBA Plan of Work.
Risk register	An example of a procurement risk register but there are a number you can use or develop.

The following diagram represents a high level flow of tasks for any procurement process

High level flow of tasks for any procurement process





Department for
Energy Security
& Net Zero



Cabinet Office



Government
Property
Function



Energy Systems Catapult

7th Floor

Cannon House

The Priory Queensway

Birmingham B4 6BS

Email: PSDecarbGuidance@es.catapult.org.uk

Switchboard: 0121 203 3700

