

Finance & General Purposes Committee

Meeting Date: 18th March 2026

Report Author: Andrew Briggs

Subject: Heat Decarbonisation Programme – Contractor Evaluation and Award Recommendation

1. Purpose of the Report

- To provide Members with a summary of the procurement undertaken for the Salix Heat Decarbonisation Programme.
- To present the anonymised tender evaluation results, interview outcomes to date, and current affordability position against the approved Salix funding envelope.
- To identify the current preferred and reserve tender positions following clarification interviews and written post-interview submissions received.
- To seek recommendation to Full Council for approval of a preferred tenderer.

2. Background

Central Swindon North Parish Council secured Public Sector Decarbonisation Scheme funding through Salix Finance to support the replacement of fossil-fuel heating systems across four community centres.

The programme covers Even Swindon Community Centre, Des Moffatt Western Community Centre, Gorse Hill Community Centre, and John Moulton Hall Community Centre.

Heat Decarbonisation Plans prepared for the Council identified achieving this by means of Air Source Heat Pump systems, associated electrical upgrades, and integrated controls / Building Energy Management Systems (BEMS).

2.1 Scope of Works Includes:

- Removal and decommissioning of existing fossil-fuel heating systems
- Design development from RIBA Stage 3 to Stage 4 under a Design and Build arrangement
- Supply and installation of Air Source Heat Pump systems
- Electrical infrastructure modifications and upgrades
- Provision of integrated controls / BEMS
- Commissioning, optimisation, training, and handover documentation

3. Funding and Financial Framework

The Council accepted the Salix grant offer on 29th April 2025. The approved funding parameters are set out below.

Funding parameter	Value
Grant award	£295,000
Minimum Council contribution	£134,218
Approved total project value	£429,218
Grant end date	31 st March 2028
Target practical completion	1 st February 2028

The grant terms require compliant procurement, timely programme progression, and evidence of committed expenditure. The Council must also ensure that the final contractor solution remains aligned with the approved PSDS / Salix project scope and that any clarification does not amount to a material change to the tendered requirement.

4. Procurement Process Summary

The Council initially tested the market through a Crown Commercial Services framework route. That route did not produce an affordable outcome, even after value engineering, and was therefore not progressed.

A compliant open competitive tender was subsequently undertaken to preserve transparency, equal treatment, and best value. The Invitation to Tender was issued on 12th February 2026 and closed at 17:00 on 12th March 2026.

4.1 Procurement Timeline

Milestone	Date / status
Open ITT publication	12 th February 2026
Clarification deadline	6 th March 2026
Tender return deadline	12 th March 2026 at 17:00
Initial evaluation and moderation	13-17 th March 2026
Clarification interviews	17 th March 2026
Finance & General Purposes Committee	18 th March 2026
Extraordinary Full Council / award decision	18 th March 2026
Accruals Submission to Salix	20 th March 2026
Final documentation submission to Salix	16 th April 2026

5. Evaluation Methodology

The ITT stated that tenders would be evaluated on the Most Advantageous Tender basis using the published weighting model below. Quality was scored out of 50 and price was scored out of 50, giving a total available score of 100.

Criterion	Weighting
Price	50%
Technical Methodology	15%
Project Team	10%
Programme & Delivery	10%
Risk & Assumptions	10%
Social Value	5%

All four tenders were reviewed for compliance, priced using the published price model, and assessed against the quality response schedule. For Member reporting purposes, all bidders are anonymised in this report.

6. Anonymised Tender Overview

Four compliant submissions were received by the tender deadline. The anonymised scoring outcome is set out below.

Contractor	Quality /50	Price /50	Total /100	Initial position
Contractor A	38.00	38.38	76.38	Reserve / interviewed
Contractor B	33.00	50.00	83.00	Preferred / interviewed
Contractor C	29.00	18.67	47.67	Not recommended
Contractor D	13.00	38.25	51.25	Not recommended

Contractor B currently ranks first overall under the published MAT model and is the only bidder within the original approved total project value. Contractor A remains the most credible reserve position following interview, albeit with a materially higher price and greater commercial exposure.

7. Affordability Against the Original Salix Baseline

Affordability has been tested against the original approved total project value of £429,218 and the corresponding grant value of £295,000. The position is summarised below.

Contractor	Tender total	Variance to £429,218	Indicative Council contribution	Affordability note
Contractor A	£510,817.80	+£81,599.80	£215,817.80	Over baseline
Contractor B	£392,063.01	-£37,154.99	£97,063.01	Within baseline
Contractor C	£1,050,511.14	+£621,293.14	£755,511.14	Materially unaffordable
Contractor D	£512,596.00	+£83,378.00	£217,596.00	Over baseline

On the submitted tender figures, Contractor B would require an indicative Council contribution of £97,063.01 if all tendered costs remain unchanged. This is below the minimum contribution originally assumed in the grant profile. By contrast, Contractor's A, C and D all exceed the approved project value and would require materially greater Council contribution. Contractor A's current tender remains above the approved baseline even before consideration of residual DNO and scope-compliance risk.

8. Anonymised Evaluation Narrative

Contractor A

Contractor A submitted the strongest written quality response overall and also interviewed well. The submission demonstrates a structured design-and-delivery approach, credible mobilisation arrangements, and a mature understanding of decarbonisation delivery across live community buildings.

- Tender price materially exceeds the approved project value.
- Post-interview clarification confirms a local controls-led solution with local/manual data extraction; this may support minimum Salix reporting, but it does not match the fuller remotely managed BEMS approach described in the approved application and Scope without further enhancement.
- Contractor A assumes DNO intervention is likely to be required and that this risk is only partially priced; the Council would therefore retain greater exposure to cost and programme movement.
- A separate cost of £23,028.80 ex VAT has now been identified for the cold water booster provision, but no wider value engineering proposal has been offered at this stage.

Contractor B

Contractor B achieved the highest overall MAT score and is the only bidder currently within the original approved project value. The submission is not the highest scoring on quality, but it is credible, commercially competitive, and remains the most viable route to delivering the approved programme within funding constraints.

- Written tender information aligns more closely with the original project intent on BMS / BEMS integration, metering, commissioning evidence, and support for Salix reporting requirements.
- Interview clarification introduced uncertainty as to whether the priced solution currently includes full front-end BMS functionality or only local controls; final written clarification from Contractor B remains awaited at the time of issuing this report.
- Contractor B's current position is that no DNO upgrade is anticipated and that the bidder is taking that risk, which is more favourable to the Council than the position adopted by Contractor A.
- Named key personnel, final design responsibility, specialist controls / BMS supply chain arrangements, and the final extent of any contingency still require written confirmation before contract execution.

Contractor C

Contractor C's submission included some positive quality content, but the commercial offer is materially above the approved funding envelope and contains qualifications that reduce confidence in full compliance and comparability.

- Material affordability failure against the approved project value.
- Controls / BMS and builders work positions introduce uncertainty.
- Alternative technical solution and provisional pricing materially weaken comparability.
- Not recommended for further progression.

Contractor D

Contractor D provided a limited quality submission and the accompanying commercial qualifications materially weaken the tender. In particular, the stated position that no design work has been included is not compatible with the published contract requirements.

- No substantive design-management compliance with the RIBA Stage 3 to 4 design responsibility requirement.
- Limited team and programme evidence.
- Tender total is above the approved project value.
- Not recommended for further progression.

9. Clarification Interviews, Written Follow Up and Outstanding Matters

Clarification interviews were completed with Contractor A and B on 17th March 2026. The purpose of the interviews was to test scope compliance, cost robustness, delivery assumptions, DNO exposure, monitoring / BEMS capability, and the contractors' ability to support Salix funding evidence requirements. The interviews were not used to materially renegotiate the tendered scope or alter the published evaluation methodology.

9.1 Contractor A – interview outcome and written clarification received

- Contractor A remains strong and continues to present a credible live-site delivery methodology.
- Written follow up states that monitoring data can be extracted locally and manually reported for Salix purposes but confirms that no cloud-based platform or equivalent remote monitoring front end is included.
- Contractor A's position is that its controls approach is sufficient for PSDS / Salix reporting, but it remains qualified against the Council's original application and ITT / Scope where the approved scheme referred to a remotely managed BEMS.
- Contractor A has confirmed that DNO intervention is assumed likely and only partially priced, which presents a significant residual commercial and programme risk to the Council.
- Contractor A has separately priced the cold water booster provision at £23,028.80 ex VAT but has not identified wider value engineering savings at this stage.

9.2 Contractor B – interview outcome and written clarification outstanding

- Contractor B confirmed that the tender includes the hot water replacement works and includes a modest contingency allowance.
- Contractor B confirmed that the current pricing assumption is that no DNO upgrade will be required and indicated that the bidder would take that risk on the present information.
- Interview responses nevertheless created uncertainty as to whether the priced controls solution includes a full front-end BMS / BEMS offer or only local controls; final written clarification has been requested and is awaited on 18th March 2026.
- Contractor B therefore remains the preferred position, but only subject to satisfactory written confirmation that the final tender remains compliant with the approved project scope, the ITT / Scope requirements, and the published price / evaluation basis.

9.3 Salix alignment query

- The Council has separately sought a view from its Salix relationship manager on whether a locally controlled / manually exported monitoring solution would remain aligned with the originally approved CSNPC application, which described the funded measure as "BEMS – remotely managed". Any response received prior to committee / Full Council decision will be reported verbally.

9.4 Matters still to be concluded before contract execution

- confirmation that the final preferred tender includes a controls / BEMS solution that remains aligned with the original approved scheme and published Scope of Works;
- confirmation of monitoring, metering, exportable data, and evidence available to support Salix reporting and post-completion obligations;
- confirmation of final DNO assumptions and risk allocation;

10. Key Project and Procurement Risks

10.1 Funding and Programme Risk

The programme remains subject to a compressed governance timetable driven by Salix requirements. Delay in concluding the procurement, obtaining final written clarifications, evidencing committed expenditure, or securing any necessary Salix comfort on scheme alignment may place grant funding at risk.

10.2 Cost Certainty Risk

Any tender that relies on significant assumptions, partially priced DNO exposure, undefined scope items, or unresolved controls / monitoring compliance carries increased risk of post-award cost movement.

10.3 Compliance Risk

The Council must preserve equal treatment and avoid any post-tender process that would amount to material negotiation or a change to the published contract scope. If a bidder's final clarification shows that a required element was not included in the tendered price or that the delivered solution would materially depart from the approved PSDS backed scheme, the Council must reconsider whether award can lawfully proceed on that basis.

10.4 Delivery Risk

The successful contractor must demonstrate sufficient resource, design capability, supply chain certainty, and record keeping capability to deliver across four live community buildings within the available timescale and funding framework.

11. Legal / Procurement Considerations

The Council has used an open advertised tender with pre published award criteria, anonymised internal reporting, recorded moderation, clarification interviews, and limited written post-interview follow-up. Subject to Full Council approval, contract award should only be made to the highest ranked compliant proposal once the outstanding written clarifications have been concluded satisfactorily and recorded.

The recommended approach remains safe because it preserves the original ranking logic, identifies a preferred bidder based on the published criteria, retains a reserve bidder, and restricts further engagement to clarification and confirmation of matters already inherent in the submitted tenders, the approved project scope, and the published tender documents.

12. Financial Implications

Contractor B is the only bid currently within the original approved total project value and is therefore the only submission that can presently be recommended without requiring additional capital approval above the original Salix baseline. Contractor B also presents the more favourable current DNO risk position, subject to written confirmation of that assumption.

Contractor A, C and D all exceed the approved project value and would require materially greater Council contribution than originally assumed. Contractor A also presents additional pricing risk through explicit exclusions and partially priced DNO assumptions. On that basis, and subject to final written clarification from Contractor B, Contractor B provides the strongest current value-for-money and deliverability position.

13. Recommendations

1. Note the procurement undertaken for the Heat Decarbonisation Programme, the anonymised tender evaluation, and the post-interview clarification position set out in this report.
2. Note that clarification interviews have now been completed with Contractor A and B and that further written clarification from Contractor B is expected.
3. Recommend to Full Council that Contractor B be approved as Preferred Contractor, subject to satisfactory completion of the outstanding written clarifications, confirmation that there is no material price uplift or qualification that alters the published evaluation outcome, and confirmation that the final solution remains aligned with the approved PSDS / Salix-backed project scope.
4. Recommend to Full Council that Contractor A be retained as Reserve Contractor should Contractor B fail to satisfactorily resolve the required clarifications or should the Council be unable to conclude an award on acceptable terms within the available funding, compliance, and programme envelope.
5. Recommend to Full Council that officers be authorised to conclude the final written clarification process, verify final tender compliance, take any necessary technical / Salix confirmation on scheme alignment, and arrange contract award in accordance with the published procurement documents and Council governance requirements.