



Invitation to Tender

For the Provision of Joint Project Management Services to Five Community Wind Turbine Projects in Orkney

June 2010

BRIEF FOR CONTRACTOR TO SUPPLY A FIXED PRICE JOINT PROJECT MANAGEMENT SERVICE FOR THE INSTALLATION OF FIVE SINGLE 900kW TURBINE SITES IN ORKNEY

INTRODUCTION

Community Power Orkney (CPO) is seeking tenders for the collective and coordinated management of the final development stage of five separate wind turbine projects, each being developed by separate community groups as individual turbine sites on separate Orkney Islands.

All five groups have the necessary land agreements, planning permission, and grid connection secured. They have all been successful in obtaining Big Lottery Growing Community Assets (GCA), and Scottish Government Community and Renewable Energy Scheme (CARES) grant funding to support the projects and are in the process of finalizing commercial loans for the balance of finance and providing a deposit to secure purchase of the turbine. The groups are now putting the necessary arrangements, personnel and management structure in place to allow them to individually conduct the construction and commissioning phase of their developments in a coordinated and cost and time efficient manner that will be mutually beneficial to the member groups and their communities.

The CPO groups believe that a key part of this will come from the buying in of relevant project management skills and experience through a fixed price Joint Project Management (JPM) contract as described in this tender. It is intended that the JPM contract will:

- make best use of local and wider resources,
- maximize benefit to the local communities,
- maximize buying power,
- create efficiencies of scale, and
- avoid delays through coordination of efforts.

To deliver this the successful contractor will oversee all 5 projects, but will hold contracts with each group individually, and work with both paid and voluntary local resources in the communities to secure best value for each individual project.

Four of the five groups have received further funding from HIE Orkney to put half-time local Turbine Development officers in place and the fifth group are using their GCA award to fund this position. These officers are all either in place or currently being recruited. They are employed by and answerable directly to the individual groups but they form the largest part of a considerable local resource available to the successful contractor; providing a daily presence and the routine “eyes and hands” on site and within the community.

In addition to this each group have active boards of directors of both parent community organisation and trading subsidiary, who have brought the projects to this stage so far and who will need to be consulted with, kept up to date and fully briefed throughout the contract. Whilst wanting the contractor to be responsible for providing project planning and management services and coordination, they will look to you for advice, but must ultimately be able to be responsible for making the remaining substantial decisions for these projects during this commissioning phase.



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BACKGROUND

Community Power Orkney is an affiliated group of constituted, non-profit distributing community organisations in Orkney all working principally to install and develop revenue generating renewable energy projects in their communities to benefit their communities. At the outset, due to growing interest in the contribution that commercial-scale wind turbine generation can make to appropriate communities, a range of pre-development stage feasibility, technical and environmental studies for ten potential turbine sites in Orkney were commissioned by supporting bodies and agencies. Based on these studies, six projects have now both gained all necessary permissions and substantial grant funded support. One of these, Westray, has already been commissioned, and the remaining five all are in the process of securing private funding and procuring turbines and associated equipment to develop their own sites.

The locations of these five sites are as follows:

Community Group	Site Name	Planned Turbine Size	OS Grid Co-ord
Eday Partnership	Sandybanks	900kW	HY 54299 31705
Island of Hoy Development Trust	Ore Brae	900kW	ND 30002 93441
Rousay Egilsay and Wyre Development Trust	Kingarly	900kW	HY 43432 29574
Shapinsay Development Trust	Howe	900kW	HY 51255 16900
Stronsay Development Trust	Rothiesholm	900kW	HY62206 22296

These groups have an established history of working together throughout the development of their projects: informally as a working group coordinated by Community Energy Scotland and its predecessors in Highland and Islands Enterprise, and formally through joint contracting of feasibility studies, environmental surveys and studies to support permitting and procurement of anemometry equipment and services (the last of which is still underway at this time). This has now led to the establishment of Community Power Orkney as a formal group with specific terms of engagement for mutual benefit (see appendix A) and the co-ordinated submission of successful applications to the Big Lottery's Growing Community Assets Fund. The applications collectively proposed a co-ordinated approach to project management of the five proposals in the form of this Joint Project Management contract.

GENERAL AIM

The core role and responsibility of the JPM contract is as follows:

- On behalf of the Directors of each individual group, manage the turbine installation process to completion in the timeliest and cost effective way, using the local resource available.
- Lead on activities to complete all agreements and contracts necessary for the installation and subsequent operation of the turbine as an OFGEM accredited electricity generator.
- Co-ordinate across individual site activities to the mutual advantage of the member groups.

This will involve managing the communication with and co-ordination between most key third parties, such as the turbine supplier (Enercon), connection provider (Scottish Hydro Electric Power Distribution) and civils and electrical contractors, to ensure timely delivery of products and services by these third parties. It is expected that the groups themselves must lead on communication with the Commercial lenders, Legal representatives and the Big Lottery, but will look to your support.



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TASKS AND OBJECTIVES

Within the general role there will be key tasks and objectives for the Contractor to deliver.

All pre-developmental work and agreements have been based on the proposed near synchronous installation of turbines across the five projects in the 2nd or 3rd quarter of 2011, and provisional Project Development Plans have been created for each of the five groups assuming this timeline (Appendix B). This provides a basis for project planning for each group at each of the 5 sites and illustrates the expected phased nature of the activities required. This can be divided into 4 phases:

- 1. Pre-development technical studies and project planning**
- 2. Preparing scope of work and tenders**
- 3. Setting up contracts and commissioning plan**
- 4. CDM requirements, Civil works, construction and commissioning**
- 5. Post-commissioning completion**

For each phase it is anticipated that the JPM will assist the individual Groups in the key tasks necessary for completion by taking the lead, planning and coordinating activity. This will be in association with and supported by the TDO of each Group, who will be able to provide on-site supervision to ensure that tasks are progressing smoothly, and identify any issues arising.

Examples of anticipated key tasks for each phase are listed below:

Pre-development technical studies and project planning

- Review wind data for each project and oversee completion of bank grade wind yield reports
- Liaise with Groups and Banks regarding wind yield predictions
- Liaise with Groups and Enercon regarding wind data and site characteristics
- Review SHEPD grid agreement and implications for connection
- Review project infrastructure requirements and compile information needed for tenders
- Formalise turbine requirements based on grid and wind characteristics (E44 is assumed)
- Review and update individual provisional Project Development Plans
- Manage and adjust Project Development Plans as development progresses

Preparing scope of work (SoW) and tenders

- Supervise preparation of SoW for each project, covering the key 3-4 contracts
- Identify and progress preliminary work including soil surveys
- Assist Groups to prepare tenders for civil/electrical works, either as single or two contracts
- Assist Groups to identify suitable contractors for balance of plant (BoP) works

Setting up contracts and commissioning plan

- Liaise with tendering companies on technical matters
- Review civil and electrical BoP tenders
- Principal (and secondary) contractor negotiations and contract awards
- Liaise and negotiate to ensure Enercon and SHEPD plans are appropriate for each individual site and collectively the most advantageous

CDM requirements, Civil works, construction and commissioning

- Explain the CDM process, what the Groups need to know and do, and their responsibilities
- Assist Groups with preparing site-specific CDM pre-tender H&S statement
- Assist Groups to appoint CDM Co-ordinator (may be same as Principle Contractor)
- Prepare/review overall project construction timetable
- Appoint Principal Contractor



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- Hold kick-off meetings with key contractors
- Progress enabling works contracts
- Progress turbine supply contract

Post-commissioning completion

- Ensure correct and all necessary certification is in place for each generation site
- Assist in PPA procurement and offer reviews

There are provisions already in place to cover the budgeted costs of specialist professional services associated with Legal representation, Soil Investigation studies and local transport route surveys. As the Groups themselves recognise they may not have the in-house expertise for many of the tasks listed, it will also be the responsibility of the JPM contractor to ensure that these and other required expertise are secured and implemented correctly at each stage. Currently, it is assumed that the successful contractor will bring any remaining experience and resource to the project from their own resources. If this is not the case, then tenderers are expected to identify these gaps and provide details of these and the expected cost of securing the necessary external services in addition to their own resources as part of their submitted proposal for this contract.

PROJECT TIMETABLE

The anticipated key milestones are:

9TH JULY 2010	<i>Advertisement of tender;</i>
6TH AUGUST 2010	<i>Deadline for submission of bids;</i>
20TH AUGUST 2010	Award of contract to successful contractor;
WK OF THE 30TH AUGUST 2010	Project initiation – teleconference with all groups;
10TH SEPTEMBER 2010	Confirmation of, and agreement on, scope of contract (w) ;
24TH SEPTEMBER 2010	Production of a inception report with a detailed contract plan (w) ;
29TH OCTOBER 2010	Complete Scopes of Work and BoP tenders for all projects (w) ;
17TH DECEMBER 2010	Award of all major BoP contracts;
END OF FEBRUARY 2011	Agree BoP work plans for all sites and provide detailed commissioning plan across all 5 sites (w) ;
APRIL – JUNE 2011	Completion of individual BoP civils work across the 5 sites;
MAY- -JULY 2011	Construction of turbine foundations across the 5 sites and completion of all connection and BoP electrical works;
JUNE - AUGUST 2011	Construction and installation of turbines across the 5 sites;
JULY- SEPTEMBER 2011	Commissioning of turbines
OCTOBER - NOVEMBER 2011	Post commissioning certification support etc.

EXPECTED OUTPUTS

Although a large proportion of the deliverables for this proposed contract are either tangible structures or self evident, all milestones listed above with a **(w)** after them indicate they include a written output by the contractor as part of their deliverable. In sequence these are envisaged to be:

- 1) Written confirmation of the agreed scope of the JPM contract
- 2) An inception report (including a detailed contract plan)
- 3) Written scopes of work for BoP tenders and third party works
- 4) Detailed commissioning plan across all 5 sites



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METHODOLOGY

Contractors are invited to propose how they intend to approach delivering and managing the requirements set out above, and whether they propose to do this alone or in partnership with others. However, irrespective of approach, we would expect the following activities to be included:

- Regular technical briefing and informal progress reports to the individual boards of directors of each Community group in addition to written reports specified;
- Good working relationship, guidance and integration with the individual local TDOs;
- A nominated person from within the contractor and partner's resources to be available for any reasonable dialogue with the boards and TDOs on behalf of the individual communities;
- Timely and full communication with appropriate representatives from each community group, especially when specific decisions or actions from these parties are required;
- Early and clear notification to the relevant group representatives of any information that comes to light which could threaten the success and/or timing of the proposed projects, singly or collectively.

GUIDANCE ON TENDER SUBMISSIONS

Tender submissions should contain the following information:

- Demonstration of how all elements of and necessary timelines in the tender will be met.
- Detailed costing for all resources and activities necessary to complete the elements of the contract as described and detailed in the project timetable. For each site, clearly setting out:
 - individual staff costs,
 - any equipment and materials costs,
 - all travelling and subsistence expenses.
- A clear organizational flow chart (or equivalent) showing how the contractor envisages interacting with the paid and voluntary local resources to best deliver these projects.
- Details of relevant company experience including any collaborating individuals/ organizations used to deliver the outcomes of this study, including CV's of all key individuals who will be involved.
- Indication of savings achieved through bidding for all 5 sites, any use of local partners in addition to the Groups and local TDOs, and, if appropriate, any opportunity for cost saving through further local resource use.

All administrative, secretarial or other overheads and any other associated costs, including VAT where applicable, will be assumed to be included in the costs provided if not stated and described separately on the bid information provided.

PROJECT SPECIFIC COMPETENCE

Contractors should clearly demonstrate the following in their tender submission:

- A track record in similar community wind turbine project management or equivalent;
- Relevant technical knowledge and experience to undertake all elements described;
- Relevant financial and legal experience of working on projects of this value and complexity;
- Evidence of sufficient human and equipment resource, or clearly costed access to similar, in order to be able to carry out the project as described within the defined timetable.



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BUDGET

This proposal is for a **fixed price contract** in the region of **£120,000-£140,000**. It is expected that the successful contractor will provide a competitive lump sum figure to include **all costs** that are anticipated to be incurred on this proposal. This cost will be split equally and separately contracted at this fixed cost to each of the 5 individual community groups. There is **no provision** being made for variance in project value for this proposal, and equally no time-bound penalties or bonuses are proposed to be applied. Work necessary for completion of the tender brief beyond the proposed timescale will be solely at the cost of the successful contractor. The winning tender will be at the sole discretion of the contracting community groups from CPO, but should demonstrate the best evidence of competence and resource to meet the specific requirements of the brief within the specified timescale and the guideline budget range.

Payment drawdown will be in 15 equal monthly instalments based on the assumed completion date of October 2011. Any cancellation will result in the retention of the balance.

VARIATIONS TO CONTRACT

After the decision to award the contract to the preferred contractor, all available information on each project and site will be made available to the contractor and there will be an opportunity to finalise tender details and specification for formal inclusion in the inception report for the proposal. It is not expected that there will be any financial variations to this contract or material alterations to the tender brief after this point.

If, at any time, some unforeseen circumstance or conditions do arise that singly or collectively are believed to require the successful contractor to substantially increase their commitment of time and resource beyond a reasonable scale of variation for managing projects of this nature, any additional remuneration of costs will need to be negotiated under new terms between the contractor and contracting party or parties. If agreement cannot be reached in this manner, a panel of three, - consisting of one member of Community Energy Scotland staff and one nominated representative of both the contractor and the contracting group(s), - will meet to determine a resolution of the dispute. The decision of this panel will be final with no further avenue for appeal.

MANAGEMENT

The contract and requirement to deliver services will be directly with each individual community group, but the overall tendering process will be managed on their behalf by Mark Hull, Orkney Development Officer, Community Energy Scotland. Any questions regarding this tender brief should be addressed to him using the contact details below.

SUBMISSION OF TENDERS

The deadline for submission of tenders is midday on Friday the 6th August 2010.

Tenders should be marked "**Community Power Orkney: Joint Project Management Contract,**" in **hard copy**, and addressed to the Community Energy Scotland, Orkney office, as detailed:

Mark Hull, Orkney Development Officer,

Community Energy Scotland,

Maybank,

Frotoft,

ROUSAY,

Orkney, KW17 2PT.

Telephone (office): 01856 821447 (mobile): 07769671582

Email: mark.hull@communityenergyscotland.org.uk

Additional electronic copies of the submission are encouraged and should also be sent to Mark.