

**CEO DECISION – CD 196**

**Title: Heat Network – Procurement of utility surveys.**

**Executive summary**

In line with publication of the Mayors 'London Environment Strategy and Zero Carbon London', OPDC has committed to the delivery of a District Heating Network that recovers waste heat from Data Centres in Park Royal, which will be reheated and distributed to local consumers.

OPDC's commitment has seen reinforcement via grant funding from the Government's Department for Energy Security and Net Zero (DESNZ) of £36m alongside an additional £1m from the Greater London Authority (GLA).

Following these grants, OPDC aims to kick-off commercialisation, which looks at the feasibility of starting construction works in 2025 and the strategy to finalise the project ahead of London's 2030 Net Zero deadline.

In March 2023, OPDC approved a delegation to the Chief Executive Officer to approve expenditure of up to £2.3m on the commercialisation phase of the Heat Network project.

This proposal seeks funding to support studies investigating proposed pipework routes for a District Heating Network, which will result in improvements to the wider Heat Network project design. This funding will enable OPDC to conduct Ground Penetrating Radar (GPR) and Topographical surveys in West London.

To conduct the required surveys, this proposal has utilised a GLA procured initiative known as RenKap, a web-based project management platform which will connect OPDC with Small and Medium Enterprise (SME) subcontractors to undertake proposed works.

**Decision**

That the Chief Executive approves:

- i. Expenditure of £273,148.34 for the procurement of utilities surveys within the London Boroughs of Ealing, Brent and Hammersmith and Fulham, this comprises:
  - a) £106,417.50 for GPR and Topographical survey costs
  - b) £100,000 for Traffic Management and road closures
  - c) £30,912.63 for RenKap's platform fees

d) £10,982.00 for Council Road closure administration costs

- ii. Delegation to the project's Senior Manager for the approval of expenditure up to £24,836.21 for project contingency.

**Chief Executive Officer**

I do not have any disclosable interest in the proposed Decision. It is consistent with OPDC's priorities and has my approval.

**Signature:**



**Date:** 27/09/2023

## **PART 1: NON-CONFIDENTIAL FACTS AND ADVICE**

### **1. Background and context**

- 1.1 Following the 2018 publication of the Mayors 'London Environment Strategy and Zero Carbon London: A 1.5°C Compatible Plan' and changes to London's Net Zero target from 2050 to 2030, OPDC is establishing the feasibility of delivering of a District Heating Network to contribute to decarbonisation initiatives. District Heating is forecasted as one of the four decarbonisation pathways, with the potential to supply almost 6TWh or 15-25% of London's heat demand.
- 1.2 In the last two years, OPDC has received planning applications for five new Data Centres. Data Centres are significant users of power which generate high levels of waste heat. As these Data Centres are located close to customers, OPDC is currently exploring the option of offsetting the waste heat from Data Centres to meet local customers heating, cooling and hot water demands, via the use of a heat network.
- 1.3 An Outline Business Case (OBC) which detailed the viability of delivering a district heating network, received approval from OPDC's Development, Investment and Sustainability Committee (DISCo) on 22 February 2023.
- 1.4 Following approval of the OBC by the DISCo, OPDC were successful in their application to the Department for Energy Security and Net Zero (DESNZ) from the Green Heat Network Fund (GHNF) for amount of £36m.
- 1.5 OPDC will begin the 'commercialisation' phase of the project to find a funder and delivery partner to develop a District Heating Network within the OPDC Area.(the Project) The current aim is for construction of the Project to begin in 2025.

- 1.6 To support commercialisation OPDC need to organise utility surveys to assess the viability of proposed pipework routes provided by OPDC's lead technical consults, Aecom Limited (Aecom).
- 1.7 The rationale behind proposing an external survey platform instead of the robust frameworks already in place arises from a necessity to target core GLA objectives, which include supporting smaller businesses and diverse – owned suppliers.
- 1.8 RenKap is an online platform which allows clients to upload site information and connect with UK vetted suppliers for the purposes of survey tender, procurement, instruction, and management. This is all done through the platform's website, offering a single point of call and a RICS/British Standard compliant list of suppliers, who might typically struggle in a competitive procurement process.
- 1.9 As a direct portal to SME's, RenKap has the benefit of competitive pricing. While smaller organisations may not possess the prestige and status of larger contractors, they often directly manage workstreams themselves with a smaller pool of employees that are likely to be focusing on projects on an individual basis, rather than managing multiple at the same time. This has been reflected in RenKap's recent quote, where our preferred subcontractor, The Survey House has priced lower than larger organisations. Additionally, RenKap may add value across the wider OPDC Team as it can be managed by up to five accounts and used to commission multiple surveys across different internal departments.
- 1.10 RenKap was appointed to the GLA's framework and procured to assist in the GLA's 'Small Sites Small Builders' grant funding programme to help public landowners undertake relevant survey work on their sites, which has given rise to another consideration, Lord Kerslake's review of GLA Group housing delivery which called for more engagement throughout the GLA Family. Use of an already implemented GLA framework supplier is an opportunity to increase collaboration with GLA initiatives.
- 1.11 Value for money is achieved through RenKap's platform by providing access to SME's that tend to provide better value for money over major national corporations who typically tender through TfL frameworks.

#### **Relevant Decision History**

- 1.12 In March 2023, the OPDC Board delegated authority to the Chief Executive Officer to draw down and spend up to £2.3m on the commercialisation work programme.
- 1.13 The commercialisation budget was subsequently set out and approved in CD194.
- 1.14 CD194 has allocated a spend of £255k towards the delivery of Surveys and any associated third party costs which this decision seeks to draw on for the completion of Ground Penetrating Radar (GPR) and Topographical surveys. Please see the Finance comments outlined in section eight below for a detailed breakdown of planned funding for this Project. Additionally, CD194 is also referenced below under 'Other supporting papers' which provides a detailed overview for OPDC's overarching commercialisation budget.
- 1.16 As these surveys will provide details that will inform the Project's design as part of commercialisation, this decision seeks funding approval from OPDC's Chief

Executive Officer above the standard £150,000 allowance, as delegated by OPDC Board in March 2023.

## **2. The proposal and how it will be delivered**

- 2.1 The expenditure will pay for the costs of GPR and Topographical surveys on roads from Central Way to Old Oak Common Lane and the surround area of West London, from the postal codes of NW10 6HH to NW10 6ED. The size of the survey area is approximately 105,930 m<sup>2</sup>. The survey works will be carried out by the appointed subcontractor.
- 2.2 To support these surveys and engage the commercialisation stage of the Old Oak Park Royal Energy Network (OPEN), it is necessary to undertake a competitive procurement process to determine an appropriate subcontractor. Neither OPDC nor its multi-disciplinary consultant team have the accreditation and skill-set required to conduct these surveys independently, therefore external assistance is required.
- 2.3 This decision form is seeking to involve the use of RenKap's platform which offers in-house management of procurement via their website. Due to the complexity of the sites in question, the RenKap team will reach out to their list of Pre-Qualification Questionnaire (PQQ) and accredited suppliers individually, based on specifications and drawings from the OPDC and Aecom teams. Once the appropriate information has been provided to RenKap, a quotation and tender report which lists three suppliers will be submitted to OPDC for evaluation of preferred bidders.
- 2.4 Following evaluation and approval of a preferred bidder, OPDC will then engage local authorities to organise road closures with the relevant Boroughs under which each survey area falls. Once council approval has been received, contractors can be instructed in advance to conduct survey works.

## **3. Objectives and expected outcomes**

- 3.1 The primary objective of this proposal is to gather GPR and topographical road survey data which will ensure accuracy in design work and that potential pipework routes are viable and do not overlap with existing under-surface utilities.
- 3.2 As these surveys form part of OPDCs District Heating Network design, their results will assist in the development of a project meeting the overarching GHNF objectives as follows:
  - achieve carbon savings and decreases in carbon intensity of heat supplied.
  - increase the total amount of low carbon heat utilisation in heat networks (both retrofitted and new heat networks).
  - contribute towards market transformations across the investment landscape and supply chain that will better prepare the heat network sector for further decarbonisation.

3.3 This proposal will assist in the delivery of OPDC's District Heating Network which will deliver the following wider benefits:

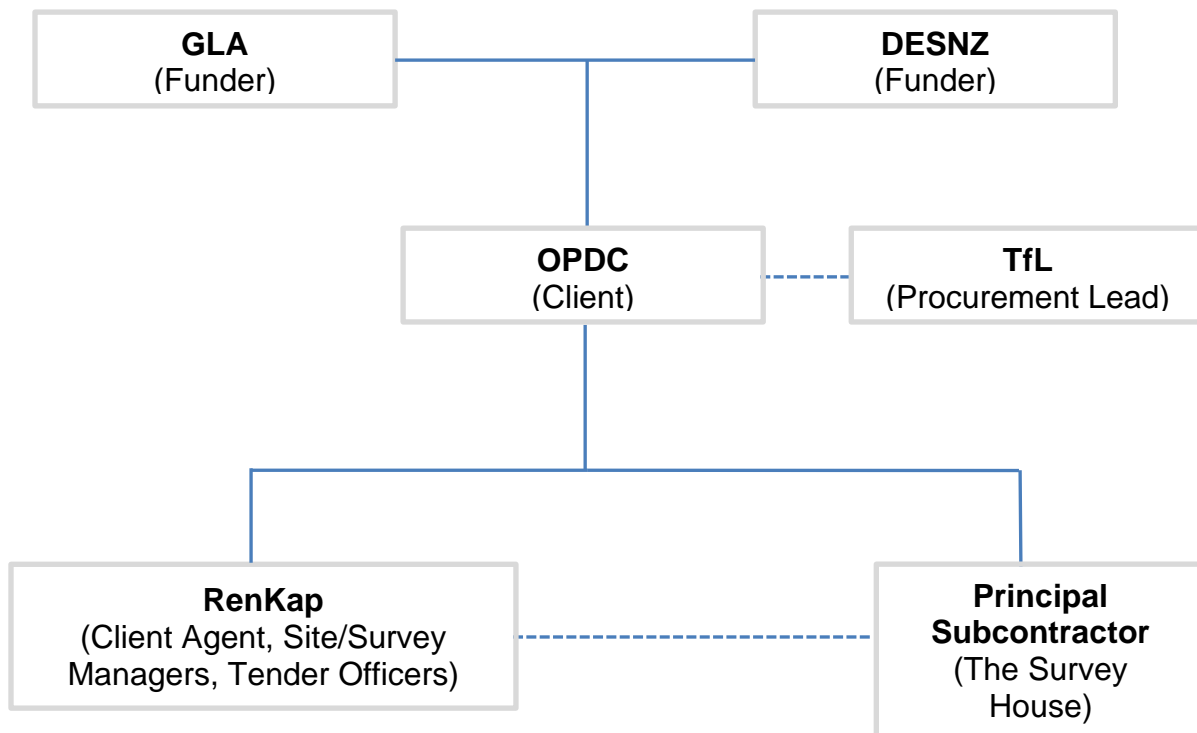
- reduce overall savings in the cost to meet zero carbon planning requirements.
- reduced costs of heating and hot water to local consumers.
- significant reductions in carbon emissions contributing to a sustainable environment.

#### **4. Strategic fit**

- 4.1 OPDC is a Mayoral Development Corporation which strives to achieve targets and strategies set by the Mayor of London to the highest standard. The surveys outlined will help with assessing the viability of suggested pipework locations for a District Heating Network, which supplies waste heat from data centres to local consumers across OPDC's West London development. These assessments will in turn help OPDC progress with its OPEN programme schedule and net zero targets by 2030, in line with the 2018 'London Environment Strategy and Zero Carbon London: A 1.5°C Compatible Plan'.
- 4.2 Lord Kerslake conducted a review of the GLA Group housing delivery and noted that current GLA organisational structures are not geared towards collaboration. This proposal seeks to address the priorities suggested in the report via the use of an existing GLA initiative for site surveys known as RenKap. As the platform's license has already been procured under the GLA's framework, this proposal presents an opportunity for OPDC to explore GLA family resources as an alternative to its standard procurement process. Successful implementation of this platform for the required surveys may also have wider benefits and drive other GLA family bodies to exchange ideas and share expertise. The GLA have also displayed a keen interest to collaborate/engage OPDC with RenKap's platform and have agreed to fund the £6,000 cost of OPDC licensing the programme for a year.

## 5. Project governance and assurance

5.1 The chart below shows the organisational contractual structure during procurement:



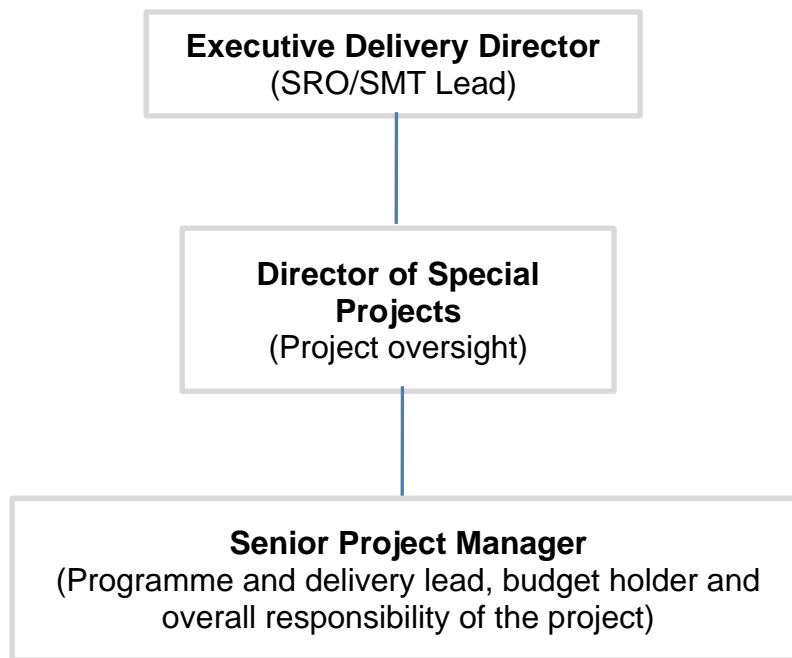
5.2 Procurement commencement has followed completion of a Procurement Pipeline Submission Form, issued to TfL's Collaborative Procurement Team (CPT). This ensured that the scope and nature of the procurement activity is captured for awareness, planning and audit purposes.

5.3 RenKap will run a mini-tender process manually via its platform based on OPDC's survey requirements and supplementary information provided by Aecom. Renkap will vet bidders to ascertain that each supplier put forward passes core PQQ and service specific PQQs for each service they offer, supplier responses will then be collated and drawn up into a tender report containing at least three quotations.

5.4 Following submission of the tender report, OPDC will select an appropriate subcontractor to carry GPR and topographical survey works as required.

5.5 To ensure compliance with requirements of local authorities who own the proposed survey land, OPDC will make site-access arrangements with landowners regarding any traffic management and road closures as required. The London Boroughs of Ealing and Brent have already been informed of OPDC's planned surveys in May of this year and OPDC will continue to update councils as and when necessary.

5.6 The chart below shows how OPDC is organised to deliver the works.



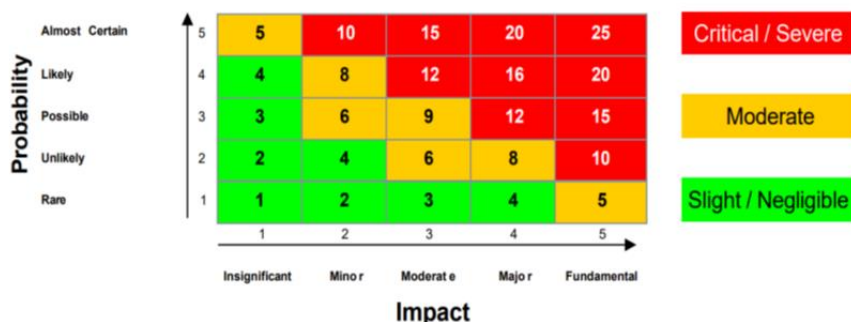
### *Risks and issues*

Risk Description	Inherent Score	Mitigations	Target Score
<p><b>Site Access Delays</b></p> <p>The survey area in question is expansive and may have clashes across on-site work streams due to Park Royal forming part of a current HS2 Development Site.</p> <p>Additionally, London Borough of Ealing requires the completion and approval of Section 50 applications as the requisite power to undertake works, these have been highlighted as having a ten-day run time, however, may require longer in traffic sensitive areas.</p>	<p>Likelihood: [4] Impact: [3] Total: [12]</p>	<p>OPDC have provided a detailed map which identifies borough boundaries as produced by Aecom.</p> <p>This map highlights priority areas and distinguishes private sites from public sites, for which surveys may be conducted at a later date as part of final connection works.</p> <p>Upon receipt of funding the OPDC Team will formulate a Traffic Management Plan/Programme with The Survey House ,enabling agreements for site to be made in advance.</p>	<p>Likelihood: [3] Impact: [3] Total: [9]</p>

<p><b>Private Site Timescales</b></p> <p>We have yet to identify the adoption of private roads, which will be confirmed via land searches in September 2023. As local authorities cannot grant works/Traffic Management Orders on these sites – they may be subject to their own considerations which will likely need to be considered outside of the programme's scope.</p>	<p>Likelihood: [4] Impact: [3] Total: [12]</p>	<p>Aecom have identified the private site areas as low priority, therefore exclusion from programme scope/postponing of these areas is unlikely to damage the overall feasibility assessments and final connection designs.</p>	<p>Likelihood: [4] Impact: [2] Total: [6]</p>
<p><b>Christmas Moratorium</b></p> <p>The London Borough of Hammersmith and Fulham have an allocated period from December to January each year, where permit applications on certain roads are scrutinised. It is important to identify if Ealing have a similar policy in place as this may serve to delay the programme.</p>	<p>Likelihood: [3] Impact: [3] Total: [9]</p>	<p>The OPDC Team will liaise with Ealing Council to confirm their standpoint on Christmas Moratorium periods/works undertaken during the Christmas period. The OPDC Team will also raise this matter with The Survey House and ensure inclusion in their programme/scope.</p>	<p>Likelihood: [2] Impact: [3] Total: [6]</p>
<p><b>Public Disruption</b></p> <p>As the proposed surveys will be on public roads, there is likely to be disruption to traffic and pedestrian crossings.</p>	<p>Likelihood: [2] Impact: [2] Total: [4]</p>	<p>OPDC will ensure communication with the public in advance of disruption and follow landowner agreements as required. OPDC will minimise the length of closures.</p>	<p>Likelihood: [2] Impact: [1] Total: [3]</p>



- 5.7 All risks in the above table have been reviewed in line with OPDC's Risk Management Framework. The below table was taken from appendix C of that framework:



## 6. Equality comments

- 6.1 Under Section 149 of the Equality Act 2010, as a public authority, OPDC must have 'due regard' to the need to eliminate unlawful discrimination, harassment and victimisation as well as to the need to advance equality of opportunity and foster good relations between people who share a protected characteristic and those who do not.<sup>12</sup>
- 6.2 There is a negligible risk of this proposal having an adverse impact on protected groups, GPR and topographical surveys will assist in the feasibility, design and development of a District Heating Network that aims to benefit residents and businesses in the OPDC area, this heat network will benefit all Londoners in the creation of a green and sustainable environment in line with the Mayors Net Zero 20230 target.

This procurement will deliver on the GLA Group Responsible Procurement Policy. Our preferred bidder, The Survey House is an SME which might typically face barriers to market entry. Through procuring The Survey House, OPDC reinforces its commitment to facilitate fair and equal opportunities for smaller business in London and add social value through supplier chain diversity. As a member of the

<sup>1</sup> The protected characteristics and groups are: age, disability, gender reassignment, pregnancy and maternity, race, gender, religion or belief, sexual orientation and marriage/ civil partnership status. Fulfilling this duty involves having due regard to: the need to remove or minimise any disadvantage suffered by those who share a protected characteristic or one that is connected to that characteristic; taking steps to meet the different needs of such people; and encouraging them to participate in public life or in any other activity where their participation is disproportionately low. Compliance with the Equality Act may involve treating people with a protected characteristic more favourably than those without the characteristic. The duty must be exercised with an open mind and at the time a Decision is taken in the exercise of the OPDC's functions.

GLA Group, which forms part of the London Anchor Institutions Network (LAIN), OPDC wishes to align with the Mayor's vision and objectives and also support diverse and underrepresented organisations.

#### *Consultations and impact assessments*

- 6.3 Local boroughs falling under the survey area will undertake impact assessments of the requested road / lane closure.
- 6.4 OPDC will work closely with its Communications Team to ensure members of the public are informed of planned survey works, this will form part of ongoing discussions with local authorities to mitigate the impact of road closures on local residents and businesses.

#### *Health in all policies*

- 6.5 The subcontractor is responsible for all health and safety on-site and complying with all site access and landowner requirements when undertaking the survey.

#### *Data protection*

- 6.6 All events and project activities will adhere to the appropriate GDPR regulation.

### **7. Conflicts of interest**

- 7.1 No one involved in the preparation or clearance of this form, or its substantive proposal, has any conflict of interest.

### **8. Financial comments**

- 8.1 It is proposed that this contract will be funded through the £75,000 in the Heat Network budget line in the Delivery Team budget. The remaining £198,148.34 outlined in this decision form will be funded from the third Party Costs budget line within the Commercialisation Budget. There are no further financial implications arising from this report.

### **9. Legal comments**

- 9.1 The foregoing sections of this report indicate that the decisions requested of the Chief Executive Officer concern the exercise of the OPDC's general powers, falling within the OPDC's statutory powers to do such things considered to further or that are facilitative of, or conducive or incidental to, the promotion of economic development and wealth creation, social development or improvement of the environment, in Greater London.
- 9.2 In implementing the proposals in respect of which a decision is sought, officers should comply with the OPDC's related statutory duties to:
  - pay due regard to the principle that there should be equality of opportunity for all people
  - consider how the proposals will promote the improvement of health of persons, health inequalities between persons and to contribute towards the achievement of sustainable development in the United Kingdom

- consult with appropriate bodies.
- 9.3 In taking the decisions requested, as noted in section 6 above, the Chief Executive Officer must have due regard to the Public Sector Equality Duty under section 149 of the Equality Act 2010, namely the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Equality Act 2010; to advance equality of opportunity between persons who share a relevant protected characteristic (race, disability, gender, age, sex, sexual orientation, religion or belief, pregnancy and maternity, and gender reassignment) and persons who do not share it; and to foster good relations between persons who share a relevant protected characteristic and persons who do not share it. To this end, the Chief Executive Officer should have particular regard to section 6 (above) of this report.
- 9.4 Section 1 of this report indicates that part of the sought budget will amount to the provision of grant funding. Officers must ensure that the funding is distributed fairly; transparently; in accordance with the OPDC's equality policy and subsidy control rules; and in a manner that affords value for money in accordance with the OPDC Contracts and Funding Code. Officers must ensure that an appropriate funding agreement is put in place and executed by the OPDC and the recipient before any commitment to funding is made.

## 10. Summary timeline

Activity	Date
Procurement of contract /Grant award	12/09/23
Submit Road Closures Forms	28/07/23
Commence Surveys	22/09/23
Complete Survey	23/10/23
Project closure	27/10/23

## Appendices

- 11.1 Appendix A: Aecom GPR Survey Specification  
 - [60672381-ACM-XX-XX-SP-CE-000002 PAS 128.pdf](#)
- 11.2 Appendix B: Aecom Topographical Survey Specification  
 - [60672381-ACM-XX-XX-SP-CE-000001 Topographical Survey Spec.pdf](#)
- 11.3 Appendix C: GPR/Topographical Survey Area Map  
 - [OPDC-ACM-XX-00-DH-SK-0001\\_P01.pdf](#)
- 11.4 Appendix D: Aecom GPR/Topographical Priority Survey Area Map  
 - [OPDC-ACM-XX-00-DH-SK-0002\\_P02 Priorities.pdf](#)

## Other supporting papers

Old Oak Park Royal Energy Network – Outline Business Case

- [OPDC Project OPEN\\_OBC\\_FINAL\\_VERSION.pdf](#)

London Environment Strategy and Zero Carbon London: A 1.5°C Compatible Plan

- [https://www.london.gov.uk/sites/default/files/1.5\\_action\\_plan\\_amended.pdf](https://www.london.gov.uk/sites/default/files/1.5_action_plan_amended.pdf)

Chief Executive Officer Decision 194 (CD194)

- [CD194 - OPEN Commercialisation Budget.pdf](#)

Delivery Director Report to Board (March 2023)

- [12. Delivery Director Update Public Paper.pdf \(london.gov.uk\)](#)

### PUBLIC ACCESS TO INFORMATION

Information in this Form (Part 1) is subject to the Freedom of Information Act 2000 (FoIA). OPDC aims to publish the Form within three working day of approval.

If immediate publication risks compromising the implementation of the Decision (for example, impacting a procurement process), it can be deferred until a specific date (when it will be published). Deferral periods are kept to the shortest length strictly necessary.

#### Part 1 – Deferral

Publication of this Part 1 is to be deferred: **No**

The deferral is until:N/A

#### Part 2 – Confidential information

Only the facts or advice that would be exempt from disclosure under FoIA should be included in or attached to any separate Part 2 Form, together with the rationale for withholding the information at this time.

There is a separate and confidential Part 2 Form: **No**

### DECLARATIONS

**Drafting officer(s):** Liam Caulfield and Jacques Dhillon have drafted this Form in accordance with OPDC procedures, including for handling conflicts of interests, and confirm that:



**Advice:** The Finance and Legal teams have commented on the proposal.



### CONFIRMATIONS

**Section 106 funding:** This use of S106 to fund the expenditure proposal was approved via a Section 106 spend proposal form on N/A

**SMT review:** This Decision was circulated to the **Senior Management Team** for review on 22/09/2023.

**Gurdip Juty – Interim CFO/ COO**

Financial and legal implications have been appropriately considered in the preparation of this Form.

**Signature:**



**Date:** 27 September 2023

**Gareth Blacker - Executive Director of Development**

I do not have any disclosable interest in the proposed Decision. It is consistent with OPDC's priorities and can be referred to the CEO for final approval.

**Signature:**



**Date:** 05/10/2023