

Agenda Item No: 4

Report To: Overview & Scrutiny

Date: 26th November 2013

Report Title: Procurement of Energy Saving Proposal for Civic Centre:
LED Lighting & Sub Metering

Report Author: John Young



Summary:

Approval was given by the Council at their meeting on 16th May 2013, for a £100k budget provision for energy saving measures and approval to proceed with energy saving projects for Civic Centre.

Prior to placing orders for supplies and services, the Council referred the procurement of retrofitting LED lighting tubes and the installation of a sub metering solution to monitor and manage electricity consumption within the Civic Centre to Overview & Scrutiny.

Key Decision: YES

Affected Wards: None

Recommendations: **Overview & Scrutiny be asked to:-**
Approve the procurement proposal for the lighting replacement and sub metering projects.

Policy Overview: The reduction of costs and CO2 emissions is a clear corporate requirement.

Financial Implications: £53,355

Risk Assessment NO

Equalities Impact Assessment NO

Other Material Implications: None

Exemption Clauses: None

Background Papers: 22 April 2013 Cabinet report: Energy Saving Proposal for Civic Centre

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Report Title: Proposed procurement of Energy Saving Measures for Civic Centre

Purpose of the Report

1. To demonstrate the procurement process for the LED lighting replacement and sub metering is robust.
2. Obtain approval to proceed with the proposed procurement.

Issue to be decided

3. Authority for the Civic Centre energy saving project to proceed subject to the evaluation of the procurement process.

Background

4. Approval was given by the Council at their meeting on 16th May 2013, for a £100k budget provision for energy saving measures and approval to proceed with a lighting and sub-metering installation which, would reduce the cost of our current electricity consumption by £12,766 per annum and our annual carbon emissions by 130 tonnes. The predicted payback based upon the estimates used to secure a budget to proceed with a procurement process was 3 to 3½ years.
5. The project is to retrofit LED lighting tubes into the existing Civic Centre light fittings and to install a sub metering solution to monitor and manage electricity consumption within the Civic Centre.
6. The proposed procurement was referred to Overview and Scrutiny after concerns were raised by Cllr Doug Marriott regarding a perceived disparity between the reports indicative cost of £61.5k and Cllr Marriott's estimate of £40k. The reports indicative cost of £61.5k was sought from a specialist provider to establish a business case for cost savings. It was for illustrative purposes and was not the subject of a procurement process.
7. Although the indicative costs used to demonstrate a business case and secure a budget for the project were based on a turnkey solution, our procurement approach has been to source the best arrangement for each solution. This has resulted in us proposing to deliver some of the project as a turnkey solution while delivering other elements on a materials and installation basis. This approach has provided us with greater control over the supplies and services procured and allowed us to achieve competitive pricing for each solution.
8. Upon the Council approving a budget provision enabling the Civic Centre Facilities Team to proceed with the energy saving proposal, competitive quotations have been obtained from suppliers of LED lighting (including

emergency lighting) and electricity sub metering solutions. The quoted costs obtained are set out in Appendix 1.

9. For the LED lighting (including emergency lighting) it was decided the most appropriate approach would be to for the Council to procure the LED tubes and emergency lights and use an electrical contractor to install them. This decision was taken to ensure the quality and performance of the tubes, secure a 5 year warranty and be confident we would be able to claim on the warranty if necessary. LED tube warranties can be problematic because the warranty is often with the manufacturer and not supplier. With so many items being imported from unknown manufacturers it is important to ensure the company will honour its stated warranty.

We have undertaken trials of LED tubes and emergency lighting within the building over the past several months and evaluated the performance, quality and warranty for each product. We subsequently sought quotations from:

- a) Edmundsons Electrical, Orbital Bus Park, Ashford
- b) Senate Electrical Suppliers, Henwood Industrial Estate, Ashford
- c) Tam-lite (CEF) Orbital Business park, Ashford

For the installation we prepared a specification and sought quotations from installers with whom we have worked previously and had found their work to be of good quality. They were:

- a) Ball Construction, Bridge Road, Ashford
- b) Mechelec, Poulton Close, Dover
- c) Metrolite, Channel Court, Folkestone
- d) Terry Baker Electrical Contractors, Godington Road, Ashford.

10. The existing emergency lights will be replaced as a direct consequence of the retrofitting of LED tubes. The existing emergency lights are part of the current light fitting and like the existing tubes, have reached the end of their life. The retrofit will remove the existing integrated emergency lights and we will fit standalone emergency lighting units. The new emergency lights require fewer units to cover the same office space, are significantly easier to maintain and can be installed at a much lower cost than more traditional emergency lighting systems.
11. For the sub-metering of the Civic Centre electricity supply we approached the following companies for quotations:
 - a. Logic Energy Ltd. Ainslie Road, Glasgow
 - b. Measure My Energy /GCI Limited – Sellinge, Ashford, Kent
 - c. Metrolite, Channel Court, Folkestone
 - d. PSW Building Consultancy Ltd, Brentwood, Essex
 - e. Safe & Sound Controls, Chislet Close, Canterbury
 - f. Smart Innovations Group (SIG) /GCI Limited – Sellinge, Ashford, Kent

Because the sub-metering market place is currently very active with new solutions coming to market all the time, the quotations we received comprised of different technologies and approaches to delivery.

Our evaluation was based on balancing our requirement to sub-metering our electricity supply, have access to easy to use performance reporting tools, have affordable one off and on-going costs which collectively, deliver the best value solution.

Consultation

12. Two small pilot installations of LED tubes have been retrofitted within Planning and Community & Housing. Both pilots have been in place for several months and have worked well from a technical and an end user perspective.
13. Advice has been sought from the council's Building Control Team to ensure our proposal is compliant.
14. We have also worked with Cllr Doug Marriott to help ensure we achieve the best outcome for the Council.

Handling

15. There is the potential for significant staff handling issues with the lighting installation. We have therefore made sure Unison, the Council's Health & Safety Officer and the Health & Safety Group are aware of the proposed installation. We will be working closely with them, staff and tenants to ensure the project is delivered with minimum disruption and receives a positive reception.
16. The implementation of the lighting project will be undertaken in consultation with Health & Safety representatives, Unison and Managers. It is intended the installation will be undertaken one floor level at a time with enough time between installations to address any issues that arise.

Conclusion

17. For the provision of LED lighting tubes we have selected TamLite (CES) as our preferred supplier. TamLite (CES) are the manufacturer and supplier of their LED tubes and provide a 5 year warranty. The tubes will be purchased through the Ashford branch of CES.
18. The preferred supplier to undertake the retrofit installation of LED tubes is Mechelec. In addition to having the lowest quotation, Mechelec have worked with the Council on similar installations and have previously delivered a high standard of work.
19. The preferred installer of the emergency lighting system is Mechelec using lights specified by the Civic Centre Facilities Team.
20. The preferred provider of the sub-metering system is Measure My Energy /GCI Limited. This element of the project is a turnkey solution that delivers the lowest installation cost and a highly competitive subscription cost for the

management software.

21. The savings set out in the Energy Saving Proposal for Civic Centre report to April's Cabinet Meeting predicted a payback on an outlay of £61,500 would be achieved in just 3 to 3½ years. Further to the procurement work set out in this report realising a cost of £53,355, the predicted payback period for this work is reduced to 3 years.

Portfolio Holder's Views

22. Having carried out extensive research and testing, I believe that a suitable solution to the proposed changes to the electrical and lighting systems in the offices of the Civic Centre has been suitably arrived at.

The report adequately describes the procurement process and satisfies all appropriate checks and balances.

I believe that the recommendations should be agreed and implemented with all appropriate speed to start realising the savings identified."

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Energy Saving Proposal for Civic Centre: LED Lighting & Sub Metering

Appendix 1 – Cost comparison

Please note, all costs exclude VAT

Quotations for supply of LED tubes

Company	Supply cost of LED tubes
Tamlite (CEF)	£33,757
Senate	£48,390
Edmundson	£52,006

Quotations for retrofit installation of LED tubes

Company	Retrofit installation Cost of LED tubes
Mechelec	£11,037
Ball Construction	£11,916
Metroline	£13,350
Terry Baker	£25,875

Budget provision for replacement of broken or unsuitable light fittings and installation

£2,023

Civic Centre emergency lighting

Materials (purchased by ABC)	£1,650
Installation	£1,350

Total lighting costs: £49,817

Quotations for sub-metering of Civic Centre electricity supply

Company	Supply & installation	Annual on-going cost	Total first year cost
Measure My Energy /GCI Limited	£3,250	£288	£3,538
Smart Innovations Group (SIG)/GCI Limited	£6,509	£551	£7,060
Logic Energy Ltd.	£7,101	£516	£7,617
Safe & Sound Controls	£9,665	£0	£9,665
Metroline	£9,850	£0	£9,850
PSW Building Consultancy Ltd	£15,446	£186	£15,632

Total sub metering costs: £3,538