INVITATION TO TENDER

Research to Assess the Barriers to Energy Efficiency in Business

15th July 2013

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1 Letter of Invitation

15th July 2013

Dear Sirs/Madams,

Research to Assess the Barriers to Energy Efficiency in Business

You are hereby invited by ENWORKS to submit a tender for the above goods/services.

The Invitation to Tender from ENWORKS contains Instructions and Information for Tendering, Specification of Requirements, Supplier Questionnaire (including Form of Tender and Pricing Schedule), and ENWORKS Standard Terms & Conditions.

If you wish to submit a tender, you are required to return two hardcopy proposals and one electronic version on CD or DVD of your proposal, clearly marked as such. Please note memory sticks are not accepted. Please do not email your tender response unless requested to do so, as any submissions received by email will be rejected.

Tender submissions must be clearly marked “Research to Assess the Barriers to Energy Efficiency in Business”, and returned to the following address by 5pm on 26th July 2013:

Samantha Nicholson
ENWORKS
c/o Economic Solutions Ltd
1st Floor
Lee House
90 Great Bridgewater Street
Manchester M1 5JW

If you have any questions about this tender, please email them by 5pm 19th July to:
info@enworks.com
Notification of your intention to respond would be greatly appreciated by 19th July. We look forward to receiving your tender response.

Yours faithfully

[Signature]

Samantha Nicholson
ENWORKS Manager
2 Instructions and Information for Tenderers

1. Tenders must be submitted in accordance with these instructions and any further instructions contained in other documentation issued by ENWORKS.

2. Tenderers who do not wish to submit a tender are invited to state their reasons for not tendering, although there is no obligation to do so. However, failure to communicate may jeopardise future invitations to tender.

3. The Tenderer may not alter this document. Any proposed alteration is to be given in a separate letter accompanying the tender.

4. Tenders may be rejected if any of the requested information is not supplied with the tender or if the submission fails to comply with the format and presentation guidance in Section 7.

5. The date and time for return of tenders is shown on the Invitation Letter. Tenders will be received up to the time and date stated. It is the Tenderers’ responsibility to ensure that their tender is received on time. ENWORKS does not undertake to consider any tender received after that time unless there is sufficient evidence to pre-suppose its due delivery.

6. ENWORKS does not acknowledge receipt of tender documents and accepts no responsibility for loss or non-receipt of applications.

7. ENWORKS expressly reserves the right not to award any contract as a result of this procurement process and it shall not be liable for any costs incurred by Tenderers. ENWORKS also reserves the right to accept all or any part of a tender.

8. Prices shown must be inclusive of VAT.

9. The Tenderer must not inform anyone else of their tendered price. The only exception is where the Tenderer is required to obtain an insurance quotation to calculate the tender price; then the Tenderer may give details of their bid to the insurance company or brokers, if requested.

10. The Tenderer must not try to obtain any information about any other party’s tender or proposed tender before the contract is awarded.

11. The Tenderer must not arrange with any other party the submission of a tender, except in the circumstances where consortia, sub-contracting and/or joint ventures are applicable.

12. Where invoices will be rendered by, or payments made to, an entity whose title differs in any respect from the title in which the tender is submitted, full details must be provided in a letter accompanying the tender. Successful Tenderers who fail to provide this will experience non-payment of their invoices.

13. Except where ENWORKS considers that questions are not material to the procurement process and the fullest understanding of its objectives, such questions and their subsequent replies will be disseminated to all Tenderers. Tenderers should note in relation to all responses to questions in connection with this Invitation to Tender that ENWORKS makes no guarantee that such information in response to questions will be made available and are not warranting its accuracy.

14. Tenderers should note that during this tender process they should not contact any of ENWORKS respective Board Members, Senior Managers, employees or advisers or any third parties connected to ENWORKS or any advisers to this
procurement, outside of the process outlined within this section and elsewhere within this document.

15. All responses to this Invitation to Tender must be in English.

16. ENWORKS reserves the right, at its discretion, to request clarification in writing, or further relevant information, from any Tenderer post submission of the tender response by such Tenderer.

17. Freedom of Information Legislation

ENWORKS may be obliged to disclose information provided by Tenderers in response to this Invitation to Tender under the Freedom of Information Act 2000, all subordinate legislation made under this and the Environmental Information Regulations 2004 (“the Freedom of Information Legislation”).

Tenderers should be aware that the information they provide could be disclosed in response to a request under the Freedom of Information Legislation. ENWORKS will proceed on the basis of disclosure unless an appropriate exemption applies. Tenderers should be aware that despite the availability of some exemptions, information may still be disclosed if the public interest in its disclosure outweighs the public interest in maintaining the exemption. Please note that Responses to this Tender cannot be covered by a general statement regarding confidentiality; instead any specific areas of confidential information should be highlighted as such. ENWORKS accepts no liability (including for negligence) for loss as a result of any information disclosed in response to a request under the Freedom of Information legislation. Tenderers should highlight information in their responses that they consider to be commercially sensitive or confidential in nature, and should state the precise reasons for this, including any exemptions which may apply.

ENWORKS will use reasonable endeavours to consult with Tenderers over the release of information that is highlighted by them as commercially sensitive or confidential. However, any decision on disclosure of information relating to this Tender will be at ENWORKS sole discretion.
3 Background Information

3.1 About ENWORKS

ENWORKS was set up in 2001 with a vision for an improved environment and economy through engaging companies in environmentally sustainable business practice. Our internationally recognised, award-winning business support has made us a leading authority on environmental business issues.

We help companies to convert environmental pressures into competitive advantage by reducing their exposure to environmental risk and improving their resource efficiency. In doing so, we are saving them millions of pounds each year, creating and safeguarding jobs and sales and demonstrating that improving environmental performance increases productivity, competitiveness, profitability and resilience.

For more information about ENWORKS please visit www.enworks.com.

The accountable body for ENWORKS is Economic Solutions Ltd (ESL).

3.2 About this Research

The Department of Energy and Climate Change (DECC) is committed to gaining a better understanding of the barriers to energy efficiency in business, as set out in the Energy Efficiency Strategy \(^1\). It has therefore proposed that ENWORKS take forward a small, qualitative study to support this aim and to gain a deeper insight into the barriers and motivations to energy efficiency encountered by individual firms.

The research is intended to inform the design of DECC’s policies to address later stage barriers to energy efficiency in SMEs. DECC has defined later stage barriers as those encountered once a business has become aware of the energy efficiency opportunities open to it, including negative externalities, misaligned financial incentives, undervaluing the business benefits of efficiency savings, perceived/real hassle costs and lack of expertise and staff time/resource. The majority of existing studies on business energy efficiency barriers explore only the early stage / up front barriers such as lack of information (information failure).

This gap needs to be filled to inform whether policies that aim to reduce barriers to energy efficiency in large businesses, such as Electricity Demand Reduction (EDR) and non-domestic Green Deal, could also be applied to SMEs or whether new policies are needed.

The project will run from August 2013 to February 2014. DECC will provide strategic management for the project and will publish, and therefore own, the final report. ENWORKS will provide operational management of the project and will procure and manage Academic partner to support the Research. ENWORKS own all the data contained within the ENWORKS Toolkit, and will maintain this ownership throughout the project, making use of the project findings to enrich its data set.

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The study will centre around three cohorts of SMEs that have engaged with ENWORKS business support projects and will involve both qualitative and quantitative analysis of the motivations for, and barriers to, improved energy efficiency.

3.3 Project Timescales

<table>
<thead>
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<th>Event</th>
<th>Date</th>
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<tbody>
<tr>
<td>Invitation to tender sent out on</td>
<td>15th July 2013</td>
</tr>
<tr>
<td>Deadline for submitting tender queries</td>
<td>5pm 19th July 2013</td>
</tr>
<tr>
<td>Closing date for tender responses by</td>
<td>5pm 26th July 2013</td>
</tr>
<tr>
<td>Final shortlisting by</td>
<td>2nd August 2013</td>
</tr>
<tr>
<td>Award of contract</td>
<td>9th August 2013</td>
</tr>
<tr>
<td>Contract start date / Inception meeting</td>
<td>9th August 2013</td>
</tr>
<tr>
<td>Research complete / Report issued</td>
<td>31st January 2013</td>
</tr>
<tr>
<td>Contract end date</td>
<td>24th February 2014</td>
</tr>
</tbody>
</table>

If you have any questions about this tender or its process, please email them to: info@enworks.com. Please allow sufficient time for a response and be aware that all responses will be made publicly available on the ENWORKS website.
4 Specification of Requirements

4.1 Overview

Utilising qualitative research techniques the project will engage with three groups of business cohorts (created by ENWORKS) to explore their motivations for, and barriers to, improved energy efficiency:

1. Businesses which have had energy efficiency opportunities identified for them by ENWORKS, but which have not taken up any further support to improve energy efficiency.
2. Businesses that have recently implemented energy efficiency upgrades with support from ENWORKS.
3. Businesses that are about to implement energy efficiency upgrades identified with ENWORKS support.

The findings are to be analysed and compared against the wider ENWORKS database (See Appendix 4 – ENWORKS Efficiency Toolkit for further detail) of quantified energy efficiency savings in business.

The key objectives from the project have been defined by DECC as follows:
- To produce qualitative evidence on the later stage barriers to energy efficiency in SMEs; how these barriers interrelate; and how some businesses overcome these barriers.
- To produce qualitative evidence on the motivations for energy efficiency.
- To produce quantitative evidence on the value of the opportunity missed by businesses that have not improved energy efficiency.
- To produce quantitative evidence on the motivation for energy efficiency

4.3 Detail of Requirements

The role of the Academic partner will be focused around the following key activities:

- Develop and agree (with ENWORKS and DECC) the qualitative methods to be employed with each sample group of businesses (the three cohorts) to deliver the required outcomes.
- Undertake research with the three sample groups through, for example, one-to-one interviews or, in one cohort, a workshop.
- Undertake quantitative analysis of energy efficiency data from the three sample groups (data will be provided by ENWORKS).
- Undertake comparative analysis of data from the sample groups against the wider ENWORKS dataset.
- Collate research findings and make recommendations, aligned to the project objectives specified by DECC, in a written report.
The requirements are described in detail below:

4.3a **Cohort A:** *Businesses that have had energy efficiency opportunities identified for them by ENWORKS, but which have not taken up any further support to improve energy efficiency.*

The Academic partner is to:

- Devise the topic guide and detailed questionnaire for the business interviews in this Cohort, with support from ENWORKS and with input from DECC, ensuring it is aligned to the objectives set out in this ITT. DECC will have final sign-off on the proposed method. The method should highlight limitations of relevance to the study.

- Conduct interviews with the sample businesses to gain insight into the factors which prevented the businesses from proceeding with the energy efficiency improvements, including, but not limited to, the role/impact of the following factors:
  - Company sector
  - Company size
  - Business culture
  - Business case for the improvement
  - Financial cost of the improvement
  - Payback period
  - Type of improvement
  - Internal resource/expertise required to implement the improvement
  - Hassle cost associated with the improvement.

- Analyse information from the ENWORKS Efficiency Toolkit and data from cohort B to support the qualitative findings with quantified data, specifically to give some quantitative indication of the opportunity missed.

- Produce written report summarising the qualitative and quantitative findings from this cohort, aligned to the objectives set out in this ITT; and work with ENWORKS and DECC to agree contents.

4.3b **Cohort B:** *Businesses that have recently implemented energy efficiency upgrades with support from ENWORKS.*

The Academic partner is to:

- Devise the topic guide and detailed questionnaire for the business interviews in this Cohort, with support from ENWORKS and with input from DECC, ensuring it is aligned to the objectives set out in this ITT. Provide a view as to whether one-to-one interviews or a group workshop will deliver the best results. DECC will have final sign-off on the proposed method. The method should highlight limitations of relevance to the study.

- Conduct interviews with the sample businesses to gain insight into the factors which motivated the businesses into proceeding with the energy efficiency improvements, along with the barriers they encountered and how they were overcome, including, but not limited to, the role/impact of the following factors:
- Company sector
- Company size
- Business culture
- Business case for the improvement
- Financial cost of the improvement
- Payback period
- Type of improvement
- Internal resource/expertise required to implement the improvement
- Hassle cost associated with the improvement.

- Provide an indication of the motivations for energy efficiency based on the projected savings and an indication on the size of opportunity missed by businesses in Cohort A based on the actual savings.

- Analyse information from the ENWORKS Efficiency Toolkit to support the qualitative findings with quantified data.

- Produce written report summarising the qualitative and quantitative findings from this cohort, aligned to the objectives set out in this ITT; and work with ENWORKS and DECC to agree contents.

4.3c Cohort C: Businesses that are about to implement energy efficiency upgrades as identified with ENWORKS support.

The Academic partner is to:

- Devise the topic guide and detailed questionnaire for the businesses in this Cohort, with support from ENWORKS and with input from DECC, ensuring it is aligned to the objectives set out in this ITT. The method should highlight limitations of relevance to the study.

- Follow this cohort companies through the implementation of energy efficiency improvements, for example through site visits and telephone interviews, to gain insight into the factors which motivated the businesses into proceeding with the energy efficiency improvements, the barriers they encountered in gaining approval and proceeding with the improvement, including how these are overcome, considering, but not limited to, the role/impact of the following factors:
  - Company sector
  - Company size
  - Business culture
  - Business case for the improvement
  - Financial cost of the improvement
  - Payback period
  - Type of improvement
  - Internal resource/expertise required to implement the improvement
  - Hassle cost associated with the improvement.

- Analyse information from the ENWORKS Efficiency Toolkit to support the qualitative findings with quantified data.
Use data from the ENWORKS Efficiency Toolkit and the data on projected savings to give an indication of the motivation for energy efficiency for businesses in the cohort.

Produce written report summarising the qualitative and quantitative findings from this cohort, aligned to the objectives set out in this ITT; and work with ENWORKS and DECC to agree contents.

4.3d Data Analysis: ENWORKS Efficiency Toolkit

The Academic partner will be required to:

- Work with ENWORKS to devise an appropriate method for carrying out analysis of data from the ENWORKS Efficiency Toolkit, including but not limited to:
  - Establishing the average results from the wider business set
  - Comparing data (qualitative & quantitative) from the three cohorts to the average results, in line with the objectives of the overall project

- Sign a confidentiality agreement with ENWORKS regarding Efficiency Toolkit data, agreeing that all data will be returned at project completion.

- Produce a written report summarising the qualitative and quantitative findings from this analysis, in reference to the three cohort groups and aligned to the objectives set out in this ITT; working with ENWORKS and DECC to agree contents.

Further detail on the data captured by the Toolkit is contained in Appendix 4.

4.3e Final report and recommendations

- Compile the findings from each of the above elements of the project into a draft overarching report.
- Identify and explain any limitations of the study and the applicability of the findings to a wider context.
- Draft recommendations and an executive summary aligned to the outcomes / objectives of the project as outlined in this ITT.
- Work with ENWORKS and DECC to agree a final report.

At this point, any data gained or used in the project will be returned to ENWORKS, including but not limited to data from ENWORKS Efficiency Toolkit.

4.4 Working Arrangements

The project is a collaborative research study and the Academic partner will be expected to work closely with both ENWORKS and DECC.

The main point of contact for this project will be:
As part of the collaborative working arrangement, ENWORKS agrees to:

- Identify businesses for the study, confirming their participation and providing contact details to the academic.
- Provide information relating to the size, sector and type of energy efficiency opportunities for each of the businesses taking part.
- Support the Academic to develop the topic guides for the interviews, or workshops where applicable, with involvement and final approval from DECC.
- Facilitate any interviews/workshops between the academic & businesses.
- Provide the Academic with quantified data from the ENWORKS Efficiency Toolkit on the energy efficiency savings, both potential and actual, for the business cohort, with permission from the businesses to share this data for the purposes of this project.
- Provide the Academic with data on the average savings from energy efficiency in a wider set of businesses with data in the ENWORKS Efficiency Toolkit, or will provide access to the Academic to the Toolkit data itself to establish these averages.

### 4.4.1 Project Management & Monitoring:

The Academic partner will liaise closely with the ENWORKS project manager to monitor progress of key tasks and will inform ENWORKS of any quality concerns, project delays or other issues, should they arise, that would prevent timely delivery of outputs.

The Academic partner will provide ENWORKS with monthly progress updates to summarise progress of the work programme and task delivery.

The Academic partner will meet with ENWORKS on a quarterly basis for progress meetings.

### 4.5 Financial Incentives

In order to secure SME participation in the study it may be necessary to offer financial incentives, guidance for which is as follows:

- Any financial incentive offered to any business in group a or b to take part in an interview is not to exceed £50.
- Any financial incentive offered to any business in group a or b to take part in a workshop is not to exceed £150.
- Any financial incentive offered to any business in group c to take part in the project is not to exceed £250.

If we are unable to achieve the required response rate we will discuss the possibility of increasing the incentives with DECC before any action is taken.
4.6 Outputs / deliverables

One report, explaining the findings of the research and its implications for energy efficiency in business. This will contain:

- Qualitative evidence on motivations for energy efficiency for business cohorts B and C.
- Qualitative evidence on barriers to energy efficiency, including hassle costs, for business cohorts A, B and C.
- Qualitative evidence on interrelations between barriers faced by business cohorts A, B and C.
- Qualitative evidence on how business cohorts B and C overcame barriers, including how they dealt with hassle costs.
- Some quantification of the motivation for energy efficiency, based on business cohorts B and C.
- Some quantification of the size of the opportunity missed by business cohort A, which did not take action on energy efficiency.
- The academic to give their view on whether the motivations and barriers to energy efficiency identified through this study are specific to SMEs.
- The report should provide a qualitative assessment of the potential impact of bias and the limitations.

The final report will be in plain English and of a sufficiently high quality to be published. It will follow the DECC guidance (Appendix 3)

Payment will be linked to outputs and project milestones as specified below:

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<thead>
<tr>
<th>Output/Milestone</th>
<th>Payment Value</th>
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<tbody>
<tr>
<td>Development of the qualitative methods to be used in the study</td>
<td>5%</td>
</tr>
<tr>
<td>Completion of the qualitative analysis of business cohorts A, B and C</td>
<td>15%</td>
</tr>
<tr>
<td>Data analysis of the ENWORKS database for business cohorts A, B and C.</td>
<td>15%</td>
</tr>
<tr>
<td>Written reports summarising findings for each of the 3 business cohorts</td>
<td>15%</td>
</tr>
<tr>
<td>Production of final report</td>
<td>50%</td>
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5 Evaluation Criteria

ENWORKS will evaluate all Tenders on the basis of the “most economically advantageous tender”.

The overall evaluation process will be conducted in a fair and equitable manner, so that ENWORKS is able to consider the value for money of each proposal. This means that different clarification/information may be sought from different Tenderers.

Tenderers may be required to make presentations on elements of their submission to ENWORKS staff and/or to attend post-bid clarification meetings. ENWORKS may also wish to carry out site visits to the shortlisted supplier premises or its reference sites. Any such presentations, meetings, and/or site visits will form part of the evaluation process, following the initial tender evaluations.
6.1 Please outline:
- your proposed methodology for delivering the requirements and Outputs/Deliverables of this tender
- the qualitative analysis techniques and packages that will be used
- the limitations of the proposed approaches and how these will be addressed
- a timeline with key milestones and a risk register with mitigation strategies where relevant
- a list of individuals with grade/seniority that will be involved with the project, their relevant skills and experience and an estimate for the amount of their time that will be spent on the project
- how you will bring added value to the project (2000 words max)

6.2 Please demonstrate your understanding of how market failure impacts energy efficiency in SMEs. (1000 words max)

6.3 Please demonstrate your understanding of the barriers and issues that affect business participation in this type of research and how these can be overcome. (1000 words max)

6.4 Please give 2 detailed examples / case studies of relevant collaborative projects you have delivered that utilised qualitative and quantitative research methods, including comment on the limitations of each. (500 words each max)

7 Financial & Economic Capacity
8 Insurances
9 References
10 Equality & Diversity
11 Terms and Conditions of Contract
12 Pricing Schedule
13 Form of Tender

Total 100

6 Budget

The value of this activity is budgeted at a maximum of £30,000 inclusive of VAT.
7 Submitting a Tender

Structure of Proposal
The proposal should be structured as follows:
- Introduction/covering letter
- Completed Supplier Questionnaire
- Completed Pricing Schedule
- Completed Form of Tender

Format & Presentation of Proposal
All submissions should be submitted in Arial font, size 11.

All submissions must be bound appropriately and any appendices must be clearly indexed or labelled.

ENWORKS reserves the right to exclude from evaluation any inappropriately large appendices.

Tender Responses

Please reply to each point as instructed within the Supplier Questionnaire (see Appendix 1, Part A).

Where responses are not offered or further information (e.g. a declared attachment) is missing, an evaluation rating of zero will be recorded.

All tenders must be complete and should offer the most economically advantageous bid available to ENWORKS.

8 Pricing Schedule

1. The Pricing Schedule (see Appendix 1, Part B) contains the Supplier’s tendered prices and rates.
2. Prices will be fixed for the duration of the contract.
3. The prices in the Pricing Schedule shall include for all goods and services shown or described in the contract as a whole and for all goods and services not described but apparent as being necessary for the complete and proper execution of the provision of the contract.
4. Each item in the Pricing Schedule must be fully priced, with insertions for each item. If any item is un-priced (whether by leaving the rate and/or amount space blank or by entering “included” or otherwise), that item shall be deemed to be free of charge.
5. Applications for payment shall be made in accordance with the procedures described in ENWORKS’s Standard Terms and Conditions [see Appendix 2].
6. All prices quoted shall be inclusive of Value Added Tax (VAT).
7. Figures inserted into the pricing schedule must be a single figure and not a range of figures. If a range of figures are submitted, ENWORKS will evaluate this offer on the basis of the highest figure quoted within the range, thus attracting the lowest possible score.
9 Form of Tender

Please ensure the Form of Tender (see Appendix 1, Part C) is completed carefully and signed before returning as part of your submission.

To complete, please ensure that you delete either ‘Yes’ or ‘No’ for each statement. In the Form of Tender, the word ‘person’ includes any person and any association or body, corporate or unincorporated; ‘any agreement or arrangement’ includes any transaction, formal or informal and whether legally binding or not.

**TENDERERS MUST RESPOND TO ALL QUESTIONS IN THE FORM OF TENDER, OTHERWISE THE TENDER RESPONSE WILL BE CONSIDERED INVALID.**