



Tool: Information on tasks, responsibilities and criteria for tender and awarding of Contracting services for public lighting

1 Which are the main steps of the competition phase?

The competition phase includes the following main steps:

1. Decision on award process: *end of May*
2. Information/announcement and expression of interest (*37 working Days + evaluation approx. 1 week = approx. 2 months in total*): *end of May-June*
3. Preparation and compilation of tender documents (*parallel to 2.*)
4. Invitation to tender: *end of June-mid of August*
5. Rough analysis of systems and saving potential/tender preparation and submission of bids (*6-10 weeks*): *until end of September*
6. Tender vetting, presentation of the bids, if necessary adaptation (*approx. 3 weeks*): *until mid of October*
7. Bidder negotiations (*approx. 2-3 weeks*): *October*
8. Award decision, contract conclusions (*1 week*): *October, mid of Nov. (latest)*

As a client you will profit from awarding the contract on competitive conditions. You should therefore invite qualified tenders from several companies (ESCO's) for

➤ a “competition of prices and ideas”.

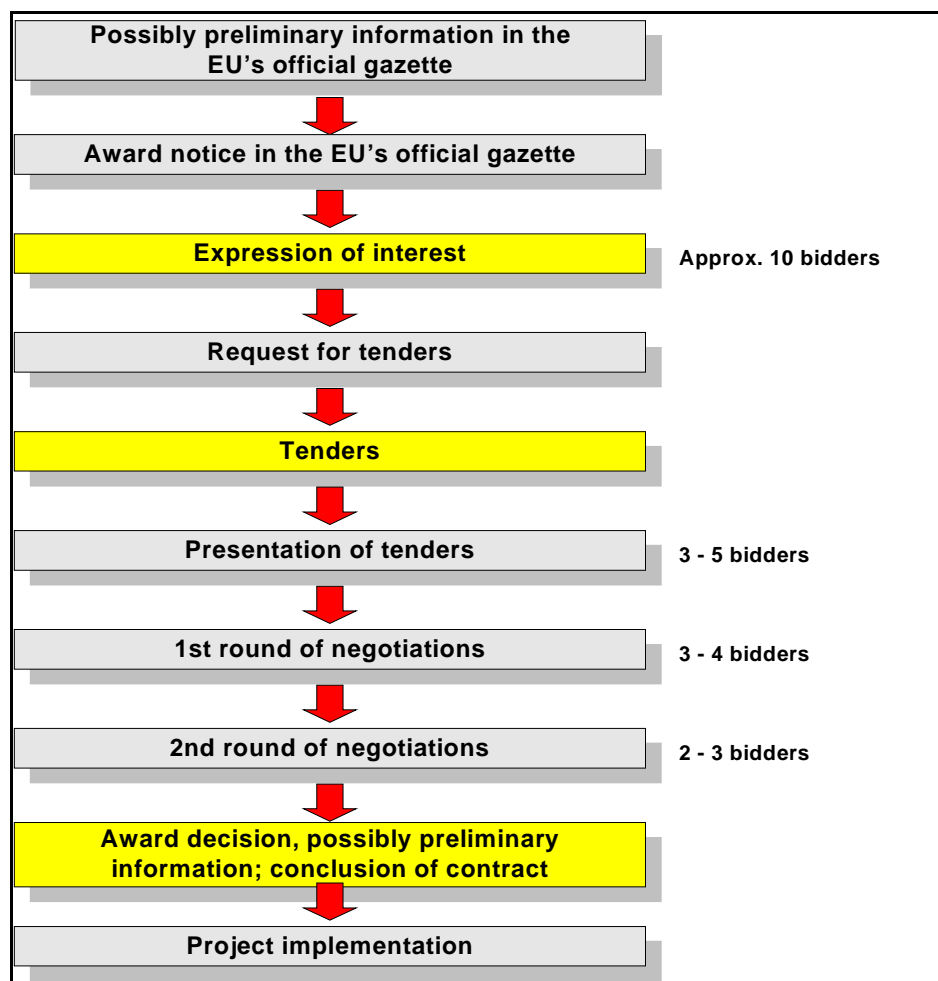
2 Tasks and responsibilities of project preparation, development, implementation

	client	bidder	Contractor
Basic data of lighting systems	✓		
Selection of lighting systems	✓		
Setting the saving target	✓		
Call for tender (functional tender)	✓		
Rough analysis of the systems		✓	
1st definition of efficiency measures		✓	
Evaluation of saving guarantee		✓	
Conclusion of contract	✓		✓
Detailed analysis/planning			✓
Financing			✓
Implementation and maintenance			✓
Operation cost reduction	✓		✓
Guarantee liability			✓
Conformity controlling	✓		✓

3 Negotiation procedure based on European Law

The European procurement Directive 2004/18/EC on the coordination of procedures for the award of public works, supply and service contracts must to be used if the appropriate thresholds are exceeded. If not, the contract can be awarded in a national procedure.

For better understanding of EU-wide negotiation procedure the following chart gives an overview:



3 Why should you use the negotiation procedure with functional description of services?

The negotiation procedure is allowed if you cannot describe the services in the Terms of References (ToR) with sufficient precision and a global price - that is the case for Performance Contracting. You have to give only a functional description of the services together with the main evaluation criteria within the tender documents.

The bidders shall lay their offers with guarantees (core elements of the services are the cost savings) and can negotiate some criteria (but not the contract) in the frame of the negotiation phase.

4 Overview on procedure for call for interest and functional Tender

4.1 Announcement of the tender and invitation of ESCO's to declare interest

→ Formal description of the tender

- ◆ Client, contact, content of tender, minimal requirements for participation
- ◆ **Criteria for tender selection** (company related, e.g. references, qualification, balance sheets for last 3 years etc., certification)
- ◆ Procedure (negotiation procedure), time schedule

4.2 Selection of suitable ESCO's as potential bidders

4.3 Invitation of selected ESCO's to submit detailed offers - based on parallel by the owner prepared documents for the



4.4 Functional tender

- ➔ Functional specification of measures (no detailed technical specification)
- ➔ All necessary information including data sheets, evaluation procedure, awarding criteria, deadline for submission
- ➔ Draft of the contract, reference baseline costs

4.5 Tender submission by the bidders

4.6 1st Evaluation by the municipality, 1 – 2 negotiation rounds, final evaluation with cost-benefit analysis

4.7 awarding decision, signing of contract

5 Contents of tender documents

It is helpful and/or necessary to address various aspects in the tender documents of a Saving Contracting project:

- subject matter and targets of the project
- tips for preparation of documents
- determination of remuneration for the Contractor
- general framework and a draft of the Saving Guarantee Contract, reference baseline costs
- time planning
- assessment criteria (for evaluation and comparison of the bids)
- light installation-specific data

6 Rough analysis, tender preparation

In order to assess whether the savings achieved will cover all the costs incurred by the ESCO, a detailed analysis has to be carried out by the ESCO. The focus of this analysis is:

- precise assessment of the technical condition of the lighting systems,
- identification of all potential savings that could be achieved,
- planning of improvement measures and the scope of the modernisation,
- precise determination of shares in the investment and in the energy- and operation costs.

The identified technical parameters and financial possibilities create a basis for the planning of the optimal modernisation measures, the guaranteed savings and the calculation of own costs and risks by the ESCO. This basis is used for the offer of the ESCO.

7 Identification of best offer, conclusion of contract

You must determine the best offer from the incoming offers with the help of a defined procedure. The bidders have to be aware of the procedure and such **criteria for identifying the best offer** like

- Guaranteed cost savings as high as possible
- Client's share in the guaranteed savings
- Contract duration as short as possible
- Share of investments in overall costs as high as possible
- Energy management concept

The criteria are based on the predefined priorities and also the weights assigned to individual criteria may differ.

During the evaluation of the offers, both financial and non-financial effects of the selection of a particular offer should be considered. In order to be able to assess an offer comprehensively, the assessment of these two parts must be combined.

(further detailed information see guidelines indoor lighting and street lighting)