

Fact sheet

Section	Indication of content
1 Title of the best practice	RE:FIT
2 Precise theme/issue tackled by the practice	An innovative procurement process for assessing potential energy savings and carbon reduction measures in the public sector which guarantees cost savings.
3 Objectives of the best practice	To facilitate the use of energy performance contracting across 40% of public buildings in London. This will affect 11 million m ² or 2000 buildings, bringing a reduction in carbon emissions of over 2.5 million tonnes by 2025.
4 Location	UK London/South East of England
5 Detailed description of the best practice	<p>Origin - A procurement process developed by the London Development Agency which has already been delivered on 42 buildings across London, including Transport for London, the Metropolitan Police, the London Fire Brigade and Emergency Planning Authority</p> <p>Timescale – accelerates the assessment process for potential implementation of efficiency measures from 18 months to 6 - 12 months</p> <p>Bodies involved / implementation – London Development Agency (and its partners) and SEEDA</p> <p>Process and detailed content of the practice;</p> <ul style="list-style-type: none"> • Framework agreements have been established with 10 companies that have signed up to undertaking energy efficiency saving assessments in public sector organisations. Setting up these framework agreements (which provide public sector organisations with guaranteed cost saving) has been a lengthy task which has involved some detailed specialist legal and procurement input. However, this

	<p>procurement process is now available for public sector organisations to use;</p> <ul style="list-style-type: none"> • Buyers are responsible for preparing a project brief that identifies the buildings they would like the ‘commercial’ company to assess; • A mini competition is run with the 12 companies who undertake an Investment Grade Proposal (IGP) of the potential savings, and submit their proposal to the buyer; • The buyers assesses their preferred supplier and selects an ESCo from the framework panel to work with; • Following negotiation and agreement of the planned energy saving measures and the level of (guaranteed) savings, the contract is signed. • Installation of energy saving measures • Performance is monitored on an annual basis, for the lifetime of the payback period, with potential for renegotiation of aspects of the framework
	<p>Legal Framework – A procurement process based on established framework agreements, supported by mini-competitions, which negate the requirement to go through the full OJEU process.</p>
	<p>Financial framework – this process does not yet come with funding (although there are plans to try and lever in EIB/ERDF funding). Organisations that implement it need to fund the upfront investment from the balance sheet. It does however offer guaranteed financial savings.</p>
	<p>Opportunities – can provide a potential model for accelerating the uptake of energy efficiency and renewable measures in the public sector</p>
	<p>Threats – Does not provide funding to shorten the payback period for renewable energy measures.</p>
	<p>Carbon Savings – Target is to achieve 2.5 million tonnes by 2025. The 42 projects implemented to date have installed energy</p>

	<p>saving measures of approximately 146,000m² of occupied building space, delivering a 6000 tonnes reduction in carbon emissions and an average 28% reduction in energy consumption. With a £7m capital spend generating a £1m saving per annum off fuel bills, the pay back period is seven years.</p> <p>(Expected) Energy production/usage</p> <p>(Expected) Warmht production/usage</p>
6 Evaluation	<ul style="list-style-type: none"> - Possible demonstrated results (e.g. through indicators) - Possible success factors - Difficulties encountered
7 Lessons learnt from the best practice	<p>RE: FIT provides a ready to use, proven and innovative procurement model – reduces timescales, hassle and expense associated with OJEU procurement process</p> <p>It makes sustainable retrofit of existing public buildings financially feasible.</p> <p>ESCo's provide guaranteed energy savings and take contractual responsibility and risk for performance of ECM's</p> <p>It reduces energy consumption and carbon emissions from buildings – reducing risk of penalties nder Carbon Reduction Commitment</p> <p>It offers alternative funding solutions (such as the London Green Fund) where access to capital is limited</p> <p>It delivers support and advice together with standardised contracts and toolkits</p> <p>It provides access to the latest and most efficient energy saving products and processes from specialist suppliers</p>
8 Contact information	<p>RE:FIT c/o Environment Team London Development Agency Palestra 197 Blackfriars Bridge Rd</p>

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<p>9 Other possible interesting information</p>	<p>- Various documents (reports, presentations, etc.)</p>
<p>10. Best practice transfered</p>	