

Energy saving proposals are set to be increasingly supported in Government contracts. Body LIFE speaks to an expert in this field.

Energy Management

Changes in EU Public Procurement rules and the UK's commitment to the Climate Change Act signal a new era for energy saving.

Leisure operators demonstrating energy reduction initiatives are likely to be increasingly favoured in Government contracts. Two factors are influencing this shift – pressure on the Government to meet carbon targets set out in the 2008 Climate Change Act and a new EU directive in Public Procurement due to come into force in 2016.

From 2016, tenderers will be selected based on “Most Economically Advantageous Tender” (MEAT.) Under the new rules, contractors can no longer be chosen on lowest price. [1] Currently local authorities can choose either method to assess proposals. The new directive has been introduced to streamline procurement and help Public Sector bodies get value for money. It recognises the cheapest option may be a false economy so tenderers must demonstrate their offer is more economical in the long run compared to other bidders.

The Government is bound by the 2008 Climate Change Act to meet regular Carbon targets by 2020. The UK achieved the First Carbon Budget covering 2008-12. However, the service industry notably lagged behind the transport, industrial and domestic sectors in energy reductions according to the 2013 Fourth Carbon Review published by the Committee on Climate Change. For leisure operators looking to work with local authorities,

energy savings is an area that offers a great deal of opportunity when applying for public sector contracts when understanding the drivers behind decision making. It is an area increasingly likely to be scrutinised in order to meet the 2020 Carbon targets.

High Consumers of Energy in Leisure

Leisure centres are notoriously high energy consumers. By pro-actively managing energy consumption, significant savings can be achieved, so there is an obvious difference between a proposal that includes energy savings over one that does not. Proposals including energy savings will be considered more favourably under the MEAT evaluation, showing competitive long term value.

The local authority pays a reduced subsidy for the centre's operation when energy savings pay back so it is a more attractive bid for cash-strapped authorities and energy costs will also be lower over time.

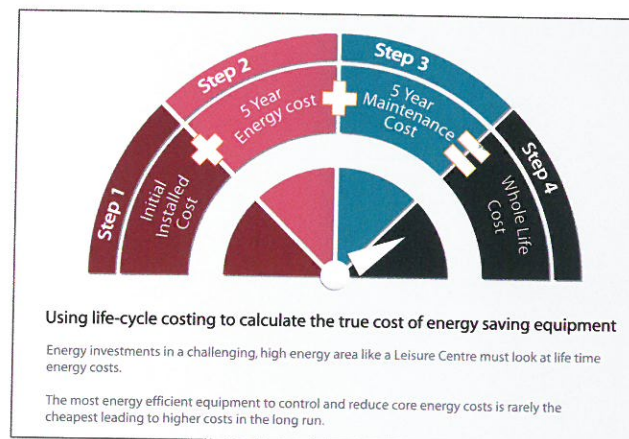
Energy costs are the second highest overhead for leisure centres after staff wages.

Leisure centres have a distinct energy footprint which differs from most other buildings. Leisure centres have specific

needs and due to high levels of humidity, aggressive treated wet environments and long hours of operation so cannot be dealt with in the same way as “dry” buildings.

False Economy of Ignoring Life-cycle Costing

When considering energy initiatives, one area to pay particular attention to is the life-cycle costing of new equipment. Life-cycle costing takes into account the cost of an item over the course of its whole life and uses this figure for comparison rather than just looking at the upfront cost of purchasing the item. In the same way the Government recognises the false economy in buying cheap, it is important for leisure operators to do the same with their own procurement. The focus should be on the savings that can be achieved long term rather than being misled by the upfront cost.

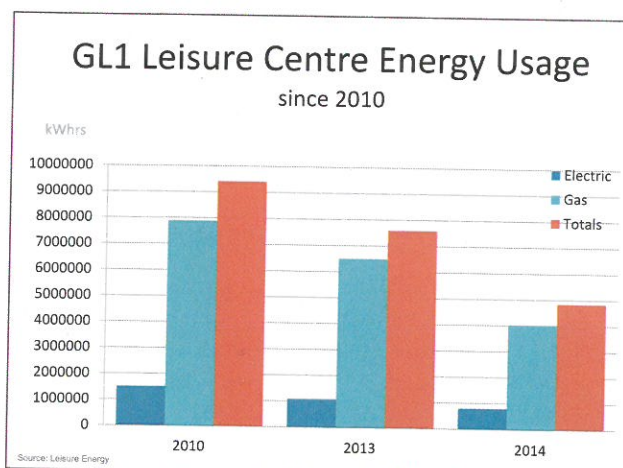


The best way to assess the life-cycle cost of new equipment is to take the initial installed cost and then the energy and maintenance costs over the following 5 to 10 years (depending on the project life) and add them together. The same should be done for any alternatives being considered. This gives the true picture of cost of purchase.

A good supplier should calculate the energy costs of their installation meeting the operator's needs, both to allow life time cost assessment in the quotation and to monitor the subsequent performance against that calculation.

Energy Usage Reduced by 48%

One champion of energy savings and their long term value is GL1 Leisure Centre in Gloucester. The centre is run by Aspire Sports and Cultural Trust (Aspire) a not-for-profit organisation.



About Leisure Energy

Leisure Energy Ltd is an independent consultancy helping leisure centres to monitor, control and reduce energy consumption.

This leads to significant savings, operational efficiency and environmental sustainability.

Leisure Energy uses a building science approach backed by a business case to maximise a building's performance whilst improving the leisure centre's bottom line.

By appreciating each centre has a unique and very distinct energy footprint Leisure Energy has reduced energy costs at over 200 Leisure Centres with some achieving up to 80% savings.

These sustainable savings help secure more leisure management contracts, achieve better lifetime costs and equips leisure trusts to run a modern, operationally robust and energy efficient Leisure Centre.

GL1 began its energy saving journey in 2010 when its annual energy usage was over 940,000 kWhrs per year. The plant's equipment was relatively young but needing targeted, energy efficient investments. Aspire took every opportunity to identify energy savings, to assess specific replacements such as air handling, lighting and pool pumps, based on their individual life-cost criteria.

After deciding they would implement an energy saving strategy in 2010, GL1 has reduced their energy consumption to 490,000 kWhrs at the end of 2014. In under 5 years they have achieved a sustainable reduction of 48% per year equating to over £190,000 p.a. savings. The savings reduce the subsidy for operation from the local authority.

As well as the obvious continual yearly savings for leisure centres, introducing energy savings into leisure management bids show an understanding of the pressures on Local Authorities to meet carbon targets. The emphasis on demonstrating a most economically advantageous tender will become more apparent by 2016 so planning ahead to make sure you have an energy strategy will give you the competitive edge.

REFERENCES:

- [1] <http://www.buy-smart.info/news/new-public-procurement-rules-published-in-the-ojeu>
 [2] <http://www.theccc.org.uk/publication/meeting-carbon-budgets-2014-progress-report-to-parliament>



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Dr Bob Hardwick has over 30 years' experience of project assessment, supplier selection and development. Over the last 10 years Bob has built a company specialising in Leisure Centre energy. He has built an increasing understanding of how to control and reduce the energy

needed by a pool based centre by identifying, installing and monitoring energy efficient technologies for clients.
www.leisure-energy.com